



WANGANUI DISTRICT COUNCIL

Te Kaunihera a Rohe o Whanganui

10-YEAR PLAN 2015 - 2025

VOLUME I

Amended 30 June 2016



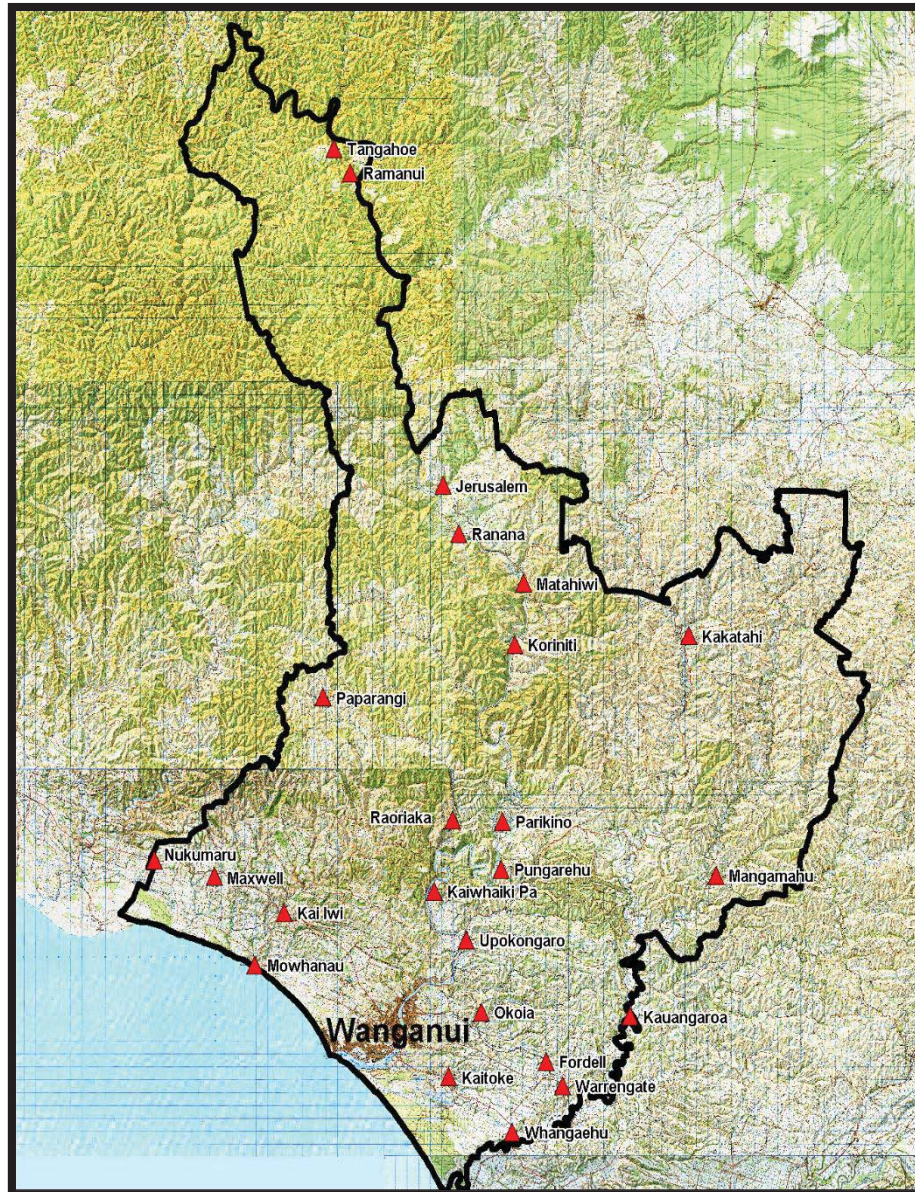
Wanganui District Council

10-Year Plan 2015-2025 (Amended 2016)

Volume

- | | |
|---|--|
| 1 | Overview including Community Outcomes and detailed financial information |
| 2 | Detailed Council activities - activity plans and performance framework |

Volume 1 of 2



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This plan (comprising two separate volumes as listed on the cover) was formally adopted by the Wanganui District Council on 30 June 2015 as its 10-Year Plan for the 10-year period commencing on 1 July 2015.

AMENDMENT NOTE

This is an amended reprint of the 10-Year Plan 2015-2025 in order to incorporate the following changes:

- Storm funding rate
- Westbourne / Gonville stormwater project
- Wastewater Treatment Plant

Changes have been made to the following sections:

SECTION	VOLUME ONE
Executive summary	Pages 16-37
Wastewater Treatment Plant	Pages 38-41
Assumptions	Pages 75-88
Funding Impact Statement	Pages 101-112
Prospective cost of service statement	Page 42
Capital expenditure – to improve the level of service (stormwater drainage group)	Page 89
Capital expenditure – to improve the level of service (sewerage and the treatment and disposal of sewage group)	Page 90
Financial statements	Pages 113-119
Long-term plan disclosure statement	Page 120
Revenue and financing policy	Pages 126-148
Financial strategy	Pages 149-157
Infrastructure Strategy	Pages 158-217
SECTION	VOLUME TWO
Stormwater activity plan	Pages 22-31
Wastewater activity plan	Pages 43-54

The 10-Year Plan 2015-2025 was reprinted on 18 July 2016 following adoption of the proposed amendment in conjunction with Council's Annual Plan 2016/17 consultation and adoption.

ADDITIONAL DISCLOSURE

Whanganui District Civil Defence Emergency 20-21 June 2015

The Whanganui District experienced a severe 85 year weather event over the weekend of 20 and 21 June 2015 when more than a month's rain fell in 24 hours. There was no weather warning for our district for this weekend and on 20 June, as the situation rapidly changed, a civil defence emergency, including the evacuation of impacted residents, was announced.

This rainfall triggered the largest flood ever recorded in our district – causing over 2,000 slips and creating pockets of flooding in the urban area. It also saw the Whanganui River overtop its stop banks and flood into Anzac Parade and Taupo Quay.

The large amount of rain throughout the district, as well as the river flooding, resulted in the evacuation of 400 people, with 200 people isolated in the rural area for several weeks and more than 20,000 slips throughout the district.

Funding from Central Government and insurance will cover most of the clean-up and recovery costs which are expected to amount to \$28.8M. The Council's share of these costs is \$4M, of which \$0.5M is funded from our self-insurance reserve fund and the remaining \$3.5M from new loans.

While this weather event was unexpected, our district is situated within a flood plain making us susceptible to the damage and costs flooding can bring. Work is already well under way to repair the damage caused around our district. In order to repay the \$3.5M we have borrowed to cover our share of the clean-up cost, we have introduced a storm damage rate for five years from 2016/17. This approach is similar to what we did after the storms in February 2004 and July 2006. In order to introduce a new rate, we have had to amend the 10-Year Plan 2015-2025 and the Revenue and Financing Policy.

After considering the number of previous storms (this is the third major storm in 11 years) which have affected Whanganui, as well as our ratepayers' ability to pay, the Council has decided to rate for the cost of the storm over five years. This works out at approximately \$45 annually per commercial/residential property and approximately \$50 per rural property.

Contents

Volume 1

	Page
Introduction	
Amendment note	3
Message from the Mayor	6
Message from the Chief Executive	8
Auditor's Report	10
Executive summary	16
Wastewater Treatment Plant	38
Prospective Cost of Service Statement	42
Rates required by activity for 2015/16	43
Consultation	44
Our district – statistical information	47
Whanganui: Leading Edge	50
General information	
Council controlled organisations	59
Contributions to decision-making processes by Maori	61
Fees and charges	62
Prospective financial information	
Assumptions	75
Capital expenditure – to improve the level of service	89
Capital expenditure – to replace existing assets	94
Funding impact statement	101
Prospective statement of comprehensive revenue and expense	113
Prospective statement of financial position	114
Prospective cash flow statement	115
Prospective statement of changes in net assets/equity	116
Prospective statement of reserve funds	117
Notes to the financial statements	118
Long-term plan disclosure statement	120

Contents

Volume 1

	Page
Policies	
Revenue and Financing Policy	126
Financial Strategy	149
Infrastructure Strategy	158
Significance and Engagement Policy	218
Water and Sanitary Assessment and Waste Management and Minimisation Plan	219
Properties for potential divestment	220
Statement of Accounting Policies	221
Contact us	234
Glossary	235

Message from the Mayor

The 10-Year Plan we have developed for 2015-2025 places a strong emphasis on a positive future for Whanganui.

I have confidence that the leading edge vision that we have now adopted is our road map to achieve this. We are planning for the future because we must and this plan will help meet the challenges we face. Doing the same things and hoping for a different result is no longer an option.

Our intention to look after what we already have and to invest in a strong future for our district has been driven by the need to ensure rates and other charges are kept in check and I believe the 4.1% average rate increase for 2015/16 reflects the prudent approach we have taken and the true costs of looking after the investment we have all made in our district. We have tried to be fair and have taken a balanced approach to the trade-offs that have been required.

The average rates increases for each rating group are:

Residential 3.7%
Farming 7.9%
Commercial 5.1%

The 4.1% average rate rise is entirely allocated to our commitment to reducing debt. We are repaying debt of \$3.7M in 2015/16. In fact this plan will see us repaying debt in eight out of 10 years, something we have not done since 1999. This enables our future residents and ratepayers to have choices about how our district develops without the burden of huge debt.

We want to be financially sustainable and need to get our debt to a level where we can afford to take advantage of future opportunities. At the

same time we need to look after what we already have that makes our district a place which works for all of us.

Decisions on our key issues

In our 10-Year Plan Consultation Document we flagged seven key issues and options for each of them. Our decisions on those key issues are outlined below.

Wastewater treatment plant: We have reaffirmed our commitment to building a wastewater plant that is both affordable for our community and looks after our environment. We will commence construction as soon as we confirm a solution that is affordable for ratepayers and industry. Our community generally supported this prudent approach through the submission process.

Sarjeant Gallery: Work is continuing on the Sarjeant Gallery redevelopment project fundraising as we seek to match a \$10M contribution from the Government. The \$31.5M project will not proceed unless the fundraising reaches its target. The Council has agreed to make a \$4M contribution from our earthquake strengthening fund to ensure the 98-year-old building in Queens Park can safely withstand any future large shocks. The building is severely earthquake-prone, rated at just 5% of the New Building Standard (NBS). Again, this approach was supported by the majority of respondents on this issue.

Earthquake strengthening: During the period of this 10-Year Plan we will continue our work in strengthening other low-rated earthquake-prone buildings from which we deliver key services to the public. We have decided to upgrade our buildings to at least the minimum standard to comply with 34% of the New Building Standard, commencing in

Message from the Mayor

2015/16 and 2016/17. The vast majority of submitters agreed with this approach.

Outdoor swimming: The plan includes a staged refurbishment of the Wanganui East Pool over five years, a proposal supported by the majority of people who submitted on the issue of outdoor swimming. This will address some immediate maintenance and repair requirements and extend the life of the complex.

Pensioner housing: As part of the consultation on the 10-Year Plan, we signalled that we believe there are non-profit community-based organisations which could better manage our pensioner housing portfolio and provide greater care for our tenants as they age. The majority of submitters on this issue did not agree with the proposal to sell all or some of the portfolio. After considering the submissions, we have committed to ensuring the pensioner housing activity does not require ratepayer funding. We will engage with a community working group to review the best use of the portfolio and/or the proceeds of the sale or partial sale. We are committed to ensuring our tenants are well cared for and there are favourable quality and affordable housing options available.

Sale of forestry: For financial reasons, primarily to assist with reducing our debt, we will proceed with the sale of our joint venture forestry asset, excluding Nukumarū and Waitahinga, for market value. The forests will be marketed nationally and internationally.

New trading organisation: We will proceed with setting up a new Council Controlled Trading Organisation (CCTO), under Wanganui District Council Holdings Ltd, to run the operations of a new aviation business based at Wanganui Airport. The establishment of the CCTO has no impact on rates or debt.

On behalf of the Council I want to thank everyone who took the time to make a submission on the 10-Year Plan Consultation Document. We received 257 submissions, including a large number from people who have never made a submission to us in the past. We heard from 66 of the submitters in person.

We considered all of the submissions, both presented and written, in making our decisions and I believe we have developed a plan that will stand our community in good stead for the future.

We have a vision to be a leading edge community and this plan will help us along that path by balancing affordability while ensuring we make caring for our environment a priority and providing scope to explore some innovative new projects.



Annette Main
Mayor

Message from the Chief Executive

While the 10-Year Plan 2015-2025 must focus on major issues, such as building a new wastewater treatment plant, redeveloping and protecting the Sarjeant Gallery, earthquake strengthening Council-owned buildings and reducing debt, we have been able to include some additional work programmes and initiatives.

Dealing with our infrastructure

Our aging infrastructure needs attention and our 30-year Infrastructure Strategy shows that we must budget for a long period of higher costs to maintain aging roads and bridges as the assistance available from Central Government decreases.

A new approach to prioritising work on critical parts of our water and stormwater networks and other assets is being adopted by our Infrastructure team to contain costs by extending the life of, or replacing, aging pipes and assets including a water storage reservoir and bores. Our Infrastructure Strategy is available on page 158.

We have had to reduce roading work by \$1.4M for the first three years of the Plan due to reduced funding from New Zealand Transport Agency (NZTA).

However, we have included the replacement of the Wakefield Street Bridge, dependent on NZTA funding. There has been considerable community interest in the future of the bridge so if that funding is not achieved we will go back to the community for further consultation.

To ensure the security of our city water supply, two replacement bores at Kai Iwi have been included in Years 2 and 7 of the Plan.

Working together

We will continue to work with iwi, central government, other district councils and Horizons Regional Council, along with other interest groups, to develop a Whole of River Strategy that will identify issues for the Whanganui River, consider ways of addressing them and recommend actions. A partnership approach is key to the Whanganui River settlement and funding is included in this Plan to enable us to work meaningfully with Whanganui Iwi and with neighbouring iwi Nga Rau and Ngati Apa.

In terms of our economic development activities, the Whanganui & Partners model will enable us to work together on three key areas which are critical to the district's growth and development – tourism, business and education. Whanganui & Partners is working alongside the Council, businesses, iwi, the community and central government to increase the prosperity of our community.

We look forward to the possibility of a new joint venture animal welfare centre to replace our current dog pound which is no longer fit for purpose. Funding has been allocated in Years 2 and 3 of the Plan to develop the new facility and we will work with local veterinary services and the SPCA on this initiative.

The impact of erosion on the banks of the Whanganui River, and the poor condition of the North and South Moles, are issues that we will discuss with Horizons Regional Council. More information is on page 23.

Message from the Chief Executive

Opportunities for the future

Exciting possibilities for the future include the rejuvenation of Castlecliff, including a project to align many existing and proposed new projects for the seaside suburb. The active and enthusiastic Castlecliff community is keen to work with us and other organisations to achieve this. We are also developing a master plan to regenerate the Town Centre and will work with businesses and the wider community to develop a place that reflects the importance of this area to our district. More about both of these projects is available on page 26.

Future sporting and recreational requirements, including potential areas of investment, are being considered through the development of a Sport and Recreation Strategy. Sport Whanganui has been engaged to prepare the strategy and we have allocated funding in 2020/21 for initiatives arising out of the strategy.

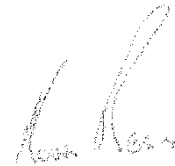
More information and options will come back to the Council on the concept of a centrally located main library and innovation centre (see page 23 for more details) and on the future of the Glass School (see page 23) which is one of our district's arts flagships.

Signing off

My term as Chief Executive will end in late 2015 and I would like to take this opportunity to acknowledge the many people in our community as well as our elected representatives and, in particular, Council staff who I have worked with since I joined the organisation as a graduate planner in 1980.

Although there will always be new challenges to overcome, Wanganui is a special place filled with outstanding people. It has been a privilege and a pleasure to have served such a community.

With the newly created leading edge vision and with the Council committed to working with Iwi and our partners, Wanganui is well positioned to enjoy a prosperous future.



Kevin Ross
Chief Executive

Auditor's Report



Independent auditor's report

To the Readers of Wanganui District Council's Amended 2015-25 Long-Term Plan

I am the Auditor-General's appointed auditor for Wanganui District Council (the Council). I use the staff and resources of Audit New Zealand to audit information that the Council is required to have audited.

The Council adopted its 2015-25 long-term plan (the plan) on 30 June 2015. We issued an unqualified opinion on that plan in our report dated 30 June 2015. We also drew attention to uncertainties about:

- the specification, cost, timing and affordability of the proposed wastewater treatment plant; and
- the extent of the damage to Council's infrastructure due to the rainfall event in June 2015, and the funding required to repair that damage.

The Council has since consulted on proposed amendments to the plan. The amendments to the plan involved:

- bringing forward the capital expenditure on the wastewater treatment plant to commence in 2016/17 and increasing that capital expenditure by \$9.3 million and reducing forecast operating expenditure by \$2.9 million; and

- including a storm funding rate which applies from 2016/17 for 5 years to fund Council's portion of the repair work arising from the June 2015 rainfall event and including \$6 million of capital expenditure for stormwater drainage improvement in the Westbourne/Gonville area.

Following the consultation process on the proposed amendments, the Council has decided to amend its plan. The amended plan replaces the plan adopted on 30 June 2015.

The amended plan must contain a report from the auditor that either confirms or amends the previous audit report.

We considered the impact of the proposed amendments on our previous audit report. We completed our audit on 11 July 2016 and our report is below.

Report amending our previous audit report of 30 June 2015

Our previous audit report on the plan adopted by the Council on 30 June 2015 is affected by the amendments to the plan. The uncertainties over the proposed wastewater treatment plant have changed and it is no longer necessary for us to draw attention to the uncertainties due to the rainfall event in June 2015. We elaborate on these matters below:

Uncertainties over the proposed wastewater treatment plant

There remain significant uncertainties about the proposed wastewater treatment plant, however, these uncertainties have changed since the plan was adopted by the Council on 30 June 2015 and because of the amendments made to the plan.

The Council now anticipates that construction of the wastewater treatment plant will commence in the 2016/17 year and be

Auditor's Report

operational from 2018/19. The Council has also approved a design which has increased the costs of the wastewater treatment plant, through the incorporation of a sludge dryer and associated equipment at an estimated additional cost of \$9.3 million. Because of the changes to the design the Council is also forecasting in the amended plan, that the operating costs of the plant will be \$2.9 million lower, and therefore the funding requirements from rates will be lower.

Although the estimated costs and funding for the wastewater treatment plant have been prepared using the best information that is currently available, there is significant uncertainty about:

- the overall cost to construct the wastewater treatment plant, because the construction contract is not yet finalised; and
- the levels of use of the proposed wastewater plant by trade waste users, and as a result, the funding that can be expected to be provided by those trade waste users.

We draw readers' attention to the Council's disclosures about these uncertainties on pages 38 to 41 in Volume 1 of its Long Term Plan.

Uncertainties due to the potential impact of the recent rainfall event

It is no longer necessary for us to draw readers' attention to uncertainties about the extent of the damage to Council's infrastructure due to the rainfall event in June 2015, and the funding required to repair that damage. Since the plan was adopted, the Council has been able to ascertain the extent of the damage to Council's infrastructure and the Council has received some funding for the repair work from NZTA and its insurers. The Council has

borrowed \$3.5 million to cover the shortfall in funding to repair the damage, and will set a new rate to repay that debt.

Other than these matters, our previous audit report on the plan, is not affected by the amendments to the plan.

Our previous audit report on the plan, with amended text to draw attention to the uncertainties about the proposed wastewater treatment plant and without the text that drew attention to the uncertainties about the potential impact of the June 2015 rainfall event, is attached.

Basis of this report

Our audit focused only on the amendments and their effects on the plan. We did not repeat the audit that we carried out on the plan when it was originally adopted.

We carried out our audit in accordance with the Auditor-General's Auditing Standards and the:

- International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*;
- International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*; and
- Ethical requirements in those standards.

We did not evaluate the security and controls over the electronic publication of the amended plan.

Auditor's Report

This report does not provide assurance that the forecasts in the amended plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the amended plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to amending the plan;
- presenting forecast financial information relating to the amendments in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the amended plan to be free from material misstatement.

We are responsible for reporting on whether the amendments to the plan affect our previous audit report on the plan as originally adopted. We do not express an opinion on the merits of the amended plan's policy content.

Independence

In carrying out our audit, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and

- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than carrying out all legally required external audits and related assurance engagements, we have no relationship with or interests in the Council or any of its subsidiaries.



Debbie Perera, Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

Auditor's Report



ATTACHMENT – PREVIOUS AUDIT REPORT WITH AMENDED TEXT TO DRAW ATTENTION TO UNCERTAINTIES ABOUT THE PROPOSED WASTEWATER TREATMENT PLANT AND WITHOUT THE TEXT THAT DREW ATTENTION TO THE UNCERTAINTIES ABOUT THE POTENTIAL IMPACT OF THE JUNE 2015 RAINFALL EVENT

To the reader

Independent auditor's report on Wanganui District Council's 2015/25 Long-Term Plan

I am the Auditor-General's appointed auditor for Wanganui District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long-Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 30 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and

- the disclosures on pages 120 to 125 in Volume 1 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations
- 2014 and accurately reflect the information drawn from the Council's audited information.

Uncertainties over the proposed wastewater treatment plant

Without modifying our opinion, we draw your attention to the disclosures on pages 38 to 41 in Volume 1, about the uncertainties about the costs and funding of the Council's proposed wastewater treatment plant.

Although the estimated costs and funding for the wastewater treatment plant have been prepared using the best information that is currently available, there is significant uncertainty about:

- the overall cost to construct the wastewater treatment plant, because the construction contract is not yet finalised; and
- the levels of use of the proposed wastewater plant by trade waste users, and as a result, the funding that can be expected to be provided by those trade waste users.

In drawing your attention to this issue, we are not commenting on the merits of the policy content that it reflects. We consider the disclosures in the plan to be adequate.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Auditor's Report

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;

- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

Auditor's Report

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

Debbie Perera, Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

The Council is also responsible for the publication of the long term plan, whether in printed or electronic form.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Executive summary

Introduction

The Local Government Act requires Council to review its activities and services every three years and set out what it plans to do, how it will be done, and how it will be paid for, for the coming decade. This information is all drawn together into one document, the 10-Year Plan 2015-2025 (10-Year Plan). The last 10-Year Plan was adopted in 2012. In-between the 10-Year Plans, Council reviews the work programme and considers any changes necessary, and publishes an Annual Plan. The Annual Plan highlights any changes or variances from the 10-Year Plan for the coming year.

Council reports on its progress against its plans in the Annual Report. This lets the community know whether the Council did what it said it would and shows Council's financial performance against its budget.

Before any of these plans are adopted Council consults with the community. The consultation undertaken for this 10-Year Plan is outlined on page 44.

What is the 10-Year Plan?

This 10-Year Plan:

- Describes the Council's Leading Edge vision for Wanganui
- Outlines the role Council will play in working towards achieving that vision

- Identifies some of the key challenges facing the Council over the next 10 years
- Provides an overview of each activity the Council will carry out and the services it will provide for the next 10 years, and how Council's performance will be measured
- Determines how much the work Council does will cost, and how it will be funded.

What's in the Plan?













The 10-Year Plan consists of two volumes.

Volume 1 contains an overview of the current situation and presents the major issues facing Wanganui over the next 10 years. It includes a funding impact statement which shows how the rates will be set for 2015/16 to 2024/25 and includes the financial strategy, financial statements and our Infrastructure Strategy.

Volume 2 presents all the detailed information for each of Council's groups of activities. This volume includes key issues, assumptions and risks for each activity, along with Community Outcomes, levels of service and performance measures. It also contains operational and capital expenditure and funding implications.

Executive summary

10 YEAR BUDGET

Activity Group	Capital Expenditure 2015 - 2025 \$299.0m	Operating Expense 2015 - 2025 \$644.8m	How Operating Costs Are Funded	Rates Value Per \$100
 Community and Cultural	\$51.5m	\$96.6m	Rates 72% Other, Including Fees & Charges 28%	\$16
 Community Facilities and Service	\$4.8m	\$107.7m	Rates 52% Other, Including Fees & Charges 48%	\$9
 Corporate	\$10.8m	\$25m	Rates 81% Other, Including Fees & Charges 19%	\$5
 Economic Development	\$0m	\$26.7m	Rates 95% Other, Including Fees & Charges 5%	\$4
 Flood Protection and Control Works	\$1.8m	\$7.8m	Rates 100% Other, Including Fees & Charges 0%	\$1
 Investments	\$3.9m	\$17m	Rates 0% Other, Including Fees & Charges 100%	\$0
 Parks and Recreation	\$12.7m	\$75.8m	Rates 94% Other, Including Fees & Charges 6%	\$13
 Provision of Roads and Footpaths	\$130m	\$89.8m	Rates 52% Other, Including Fees & Charges 48%	\$18
 Stormwater Drainage	\$13.1m	\$28m	Rates 99% Other, Including Fees & Charges 1%	\$8
 Transportation	\$0.3m	\$6m	Rates 49% Other, Including Fees & Charges 51%	\$1
 Sewage Treatment and Disposal	\$48.1m	\$118.5m	Rates 70% Other, Including Fees & Charges 30%	\$16
 Water Supply	\$21.8m	\$45.7m	Rates 73% Other, Including Fees & Charges 27%	\$8

Executive summary

A new financial strategy

Our Financial Strategy describes how we plan to finance our services and activities in a way that is sustainable over the long term. Its purpose is to ensure Council has undertaken prudent financial management in the choices it makes on which services to provide. If our expenditure and funding plans are not sustainable we may not have the capacity or resources to deliver affordable services to residents and ratepayers in the medium and long term. More information on the key points of the Financial Strategy can be found on page 28 of the Executive Summary. The full Financial Strategy is on page 149 of this volume.

Leading Edge Strategy

On 28 October 2014 the Council adopted its new vision “Whanganui: Leading Edge - Deeply united, globally connected, powered by creative smarts, flowing with richness, works for everyone”. The vision was developed following a series of workshops with a wide range of people and organisations, and replaces the previous vision of ‘Family-Friendly’.

More information on the Leading Edge Strategy can be found on page 50 of this volume.

Key issues

There are a number of key issues we are focussing on in the next 10 years.

Wastewater Treatment Plant

We are committed to building a plant that considers its environment and meets our needs into the future but is affordable to the community and mix of industry it services. Balancing affordability and environmental considerations is difficult. The more treatment wastewater receives, the

more it costs both ratepayers and trade waste industries. Less treatment reduces costs but means lower quality effluent is discharged to the sea.

We delayed the construction of the approved wastewater treatment plant in December 2014 because as we received further information about the costs of operating the proposed plant to meet the current outfall consent conditions, we became concerned that it may be unaffordable for households and businesses. Since that time the Council has investigated various options for minimising the costs and risks involved with the disposal of the sludge expected to be produced by the new plant and in March 2016 the Council approved the updated Cardno designed wastewater treatment plant with the addition of a sludge drying facility. We now anticipate that the project will cost \$41.2M, including an allowance for inflation over the 2016/17 and 2017/18 years. With a guaranteed maximum price for the construction of the new plant to be negotiated, taking into account actual changes in inflation and the exchange rate and the inclusion of the sludge dryer, the estimated cost is likely to change. The plant is expected to be operational from 2018/19 with the dried sludge to be disposed to the onsite settling pond for the first three years, and then being spread to land.

More information on the Wastewater Treatment Plant is available on page 35 of this volume.

Storm funding rate

In June 2015 the Whanganui District experienced the biggest storm event we’ve ever faced. On June 19 and 20, the Whanganui River catchment received the highest rainfall on record, resulting in large scale surface flooding across the district. The large amount of rain throughout the district, as well as the river flooding, resulted in the evacuation of 400 people, with 200 people isolated in the rural area for several weeks and more than 20,000 slips throughout the district. The

Executive summary

Whanganui River also experienced a one-85-year flood (one likely to occur once in an 85-year period, with a 12% chance of recurring within the next 10 years), which overtopped the Kowhai Park stopbanks. This was the largest flood event ever recorded in our history.

Funding from Central Government and insurance will cover most of the clean-up and recovery costs which are expected to amount to \$28.8M. The Council's share of these costs is \$4M, of which \$0.5M is funded from our self-insurance reserve fund and the remaining \$3.5M from new loans.

While this weather event was unexpected, our district is situated within a flood plain making us susceptible to the damage and costs flooding can bring. Work is already well under way to repair the damage caused around our district. In order to repay the \$3.5M we have borrowed to cover our share of the clean-up cost, we are introducing a storm damage rate for five years from 2016/17. This approach is similar to what we did after the storms in February 2004 and July 2006. In order to introduce a new rate, we have to amend this document and the Revenue and Financing Policy. We did this in June 2016.

After considering the number of previous storms (this is the third major storm in 11 years) which have affected Whanganui, as well as our ratepayers' ability to pay, the Council has decided to rate for the cost of the storm over five years. The new storm damage rate is at a fixed charge per separately used or inhabited part of a rating unit (SUIP), including an additional \$5 charge for farming properties, because most of the flood damage was to our rural roading network.

This means residential and commercial properties will pay an extra rate of \$44.70 per year, while farming properties pay an extra \$49.70.

Westbourne / Gonville stormwater project

Currently, many rain events result in ponding and flooding in the Westbourne/Gonville area. As a result, we intend to improve stormwater drainage to reduce the effect of small to medium size rain events. For larger rain events, water will still flow to overland flow paths, the predicted routes stormwater takes on its way to streams, stormwater networks or the sea during an unusually large rain event. Council engineers are currently modelling water flows, potential solutions and costs. This information will help us determine the appropriate solutions. The benefits of improved infrastructure will be to commercial properties in the Mill Road area and residential properties in the Westbourne/Gonville area, as well as some downstream properties in the Heads Road industrial area. In turn, this should enhance economic growth in Whanganui.

Once the stormwater infrastructure is in place, other properties near this area will be able to connect to it.

Improvements are being calculated by 1D/2D computer modelling. There will be more than one solution considered by the Council, ranging from \$5M to \$10M. We have amended this plan to include an additional \$6M in capital as this represents one possible solution. The final cost may differ from this estimate.

This work will be debt funded at \$3M per year for two years.

Most of the improvement to the stormwater drainage will not occur until the project is finished in 2017/18.

Executive summary

Sarjeant Gallery earthquake strengthening

The Sarjeant Gallery Te Whare o Rehua Whanganui is severely earthquake-prone, rated at 5% of the New Building Standard (NBS). Council's prioritising of our earthquake strengthening work placed the Sarjeant first. We intend to use \$4M of debt to fund our contribution to the overall \$16M of earthquake strengthening required. The debt would be repaid from the earthquake strengthening rate. The remaining funding will come from other sources.

As part of the earthquake strengthening work, base-isolator strengthening components would fill the basement, which has previously been used to store the gallery's art works. We will build a new extension to the gallery, which will include purpose-built storage facilities to the north of the existing Gallery together with additional exhibition space, education facilities and events space.

Earthquake strengthening of Council buildings

The damage caused by the Canterbury earthquakes of 2010/11 prompted councils nationwide to assess their public and privately owned buildings and to budget for the costs of bringing any earthquake-prone buildings up to a safe standard. Our overriding concern is for the safety of all those who use our buildings, including the public and our staff. Our town centre is particularly vulnerable as we are home to one of the highest proportions of historic heritage buildings of any New Zealand centre.

The estimated total earthquake strengthening costs for Council-owned buildings (excluding the Sarjeant Gallery) is now \$10M, of which \$1.6M has already been spent and \$8.4M has been included over the 10 years of this Plan. In our 2012-2022 10-Year Plan we had allocated \$20M. However, that figure has changed as we have a better understanding of the costs. We are now focusing on getting buildings to non-earthquake-

prone standard (34%) rather than to a greater percentage of the New Building Standard (NBS).

We have identified three key buildings with significant strengthening costs, along with a number of other Council-owned buildings requiring varying levels of work which is scheduled for Years 3-10 of the Plan. A list of all of these buildings and rough estimates of the likely costs of the work required can be found on our website.

Building	Estimate Cost	Year	Current % of the NBS	Proposed % of the NBS
Alexander Library	\$750,000	2015/16	20-25%	Minimum 34% up to 67%
War Memorial Centre	\$3,000,000	2016/17	22%	Minimum 34% up to 55%
Museum	\$750,000	2016/17	6%	34%+

Wanganui East Pool

Council reviewed various options for outdoor swimming and agreed to allocate \$75,000 per year for the next five years for a staged refurbishment of the Wanganui East Pool complex. This refurbishment will include:

- Replacing the balance tank
- Repairs to the main pool
 - Installation of slot drainage
 - Waterproof membrane
 - Reinforce and renew floor
 - Repaint

Executive summary

- Repairs to the learners pool
 - Fibreglass floor and walls
 - Tiling top of pool walls
 - Replace handrails and ladders
- Repairs to the toddlers pool
 - Fibreglass coating
 - Exterior paving
 - Replace decking
 - New filtration system
- Renew concrete around the pools
- Painting of complex

Pensioner housing

We provide pensioner housing for elderly people who have low financial means. This activity is financially ring-fenced and does not require any ratepayer funding.

We own 275 pensioner units in 16 separate complexes in different parts of the city, as well as 11 relocatable granny flats. We provide a limited level of welfare assistance to the tenants. The units and flats are available to those who can demonstrate limited financial resources, are over 55 years and can live independently. Despite offering elderly residents units below the current market rental levels, the occupancy rate for the last four years has averaged around 89%.

While there is an ongoing need for this housing, the Government has indicated that this is not a core function of councils and we agree that the current level of service offered to our community does not have to be provided by Council. What matters is that current tenants are looked after and there are favourable quality and affordable housing options available.

We have committed to ensuring that the Pensioner Housing activity will not require ratepayer funding and have further decided to engage with a community working group to review the best use of the housing portfolio, and/or the proceeds of the sale or partial sale.

Forestry

Wanganui District Council holds a 95.09% share in a 1100ha joint venture commercial forestry portfolio in conjunction with South Taranaki and Ruapehu District Councils.

In the 1970s the former United Council decided to invest in forestry to access Government funding to benefit the wider region, including controlling weed or erosion prone land and promoting job training and as an investment where the income from the investment could reduce future rate increases.

We have agreed to sell the joint venture forestry— excluding Waitahinga and Nukumarū forests, for market value. The sale price that would be acceptable to the joint venture councils has not been determined at this stage as a number of tasks have yet to be undertaken to get the forests ready for sale, including valuations and documentation. Log prices are also recovering slowly after a fall in mid-2014 so how prices will move in the near future is unknown. As a guide only, the June 2013 valuation for the land and trees in question was about \$7M. It is intended that the forests be marketed nationally and internationally.

The sale of this portfolio will provide Council with substantial funds to repay debt at a time when we are facing large infrastructure capital expenditure and the expected return from forestry return is low.

However, we do not know if the forestry will be sold in the next 10 years, therefore we have budgeted dividends in Years 1 and 6 of this Plan.

Executive summary

Council Controlled Trading Organisation

Wanganui District Council Holdings Ltd (WDCHL) is undertaking due diligence on an opportunity to purchase an aviation business to take advantage of commercial opportunities presented by the Council's ownership of the Wanganui Airport.

We have decided to set up a new Council Controlled Trading Organisation, under Wanganui District Council Holdings Ltd, to run the operations of a new aviation business venture.

If this venture goes ahead, it is anticipated it will have no impact on rates.

Infrastructure capital expenditure

We are planning to carry out capital works for infrastructure during the next 10 years. The following are some of the more significant projects(including inflation):

Capital project	Amount \$M	Years
New wastewater treatment plant	41.2	2016-2018
Replace or upgrade older sections of the underground wastewater pipes	9.2	2015-2025
Remove inflow and infiltration from the wastewater system and/or install larger pipes	0.6	2015-2025
Finish separation of wastewater and stormwater	3.8	2015-2025
Stormwater and drainage integrated catchment management	1.7	2015-2025
Stormwater and drainage network replacements	3.3	2015-2025

Replace 1 reservoir at Great North Road	6.3	2016-2018
Replace trunk mains between Kai Iwi bores and Westmere reservoir	0.9	2015-2022
Castlecliff water main	1.0	2016-2024
Bore development – new bore next to Kai Iwi School	3.3	2016-2022
Fitzherbert Avenue extension	2.2	2018-2021
Heads Road/Beach Road roundabout	1.4	2018-2019
Wakefield street bridge	1.8	2015-2018
Westbourne/Gonville stormwater project	6.0	2016-2018

Other issues

We also have a range of other initiatives, work programmes and changes planned for the next 10 years.

Replacement bridge at Wakefield Street

At the time of our consultation on our 2014/15 Annual Plan, we invited submissions on a proposal to close the Wakefield Street Bridge in Wanganui East to vehicle traffic. A significant level of response was received, with many residents and other users wanting a replacement bridge built at an estimated cost of about \$1.8M.

We are further investigating the available options and are awaiting information from the NZ Transport Agency (NZTA) on the level of funding assistance that would be available for a replacement bridge. We have included the bridge replacement in this plan assuming that NZTA funding can be obtained.

When this information is available we will seek further feedback on this issue.

Executive summary

Downtown library and innovation quarter

We have an opportunity to make a significant contribution to the revitalisation of our town centre by creating a centrally located main library combining the Davis and Alexander library operations now in Queens Park. An innovation quarter for knowledge economy entrepreneurs could be part of the same complex and there is also scope for a transport hub.

It is early days for this project and estimates of capital and operating costs have not yet been done but our research indicates that the kind of development that is envisaged has rejuvenated town centres around the world. It combines the library services you recognise with a nurturing, well serviced environment for knowledge economy entrepreneurs. It would also be attractive to corporates relocating staff by offering the kind of lifestyle and facilities that are the envy of many working in large centres both in New Zealand and globally.

The Davis Library has been a lead provider of digital technology, skills and connectivity for the community for more than 10 years. Almost 300,000 people a year walk through the doors of the Davis Library. Global experience shows libraries that are in the CBD, especially when partnered with the kind of innovation quarter and transport centre we are proposing, greatly increase foot traffic and other activity and lead to significant rejuvenation of the area.

Further investigations and research will be undertaken on this proposal. When more information is available we will engage in a formal consultation process.

Glass school

Wanganui District Council and UCOL formed a partnership to enable the delivery of the Diploma of Glass Design and Production, in addition to supporting the glass modules in UCOL's Fine Arts Degree, over the last seven years. The cost of this was \$67,500 in 2014/15. Due to reduced numbers of students enrolling in these programmes the Glass School has become unviable to continue in its present state and this 10-Year Plan indicates the school will close in December 2015.

However, we believe that the school's focus on hot glass and associated glass making is unique to the district and we have agreed to work with interested parties to explore how we can retain this important aspect of what makes Wanganui a significant arts destination.

River maintenance

Much of our identity and richness as a district flows from the natural beauty of our Whanganui River, but we are very aware that we need to continue to invest in protecting the course of the river as it makes its way to the sea.

We are fortunate that erosion of the riverbanks has not been a big issue, although 'drop outs' affecting roads continue to occur along its course. It is prudent to budget for their repair so we have included \$10,000 each year in the Plan for all erosion-related work.

We have also included \$0.5M in year 2015/16 for work on the North Mole and \$1.1M in year 2023/24 for work on the South Mole.

Executive summary

New dog pound

We approved \$450,000 in years 2016-2018 to develop a new animal welfare centre as a joint venture with local veterinary services and the SPCA. It will be housed on a new site and could include pound facilities, veterinary services, education and training.

Economic development budget

Towards the end of 2014 we officially launched Whanganui & Partners to play a key role in promoting and guiding the district's economic development.

Whanganui & Partners has three key areas of focus which are critical to the district's growth and development – tourism (represented by Visit Whanganui), business (Business Whanganui) and education (Education Whanganui).

The Whanganui & Partners model was chosen to drive economic development activity as it is not a structure that requires large amounts of money to support it. It is simply about a new way of working, harnessing the resources and expertise of the wider community. Whanganui & Partners is supported by our existing Economic Development staff and the board members volunteer their time as they are passionate about making Whanganui a better place.

Whanganui & Partners' total operating expenses for the first year of the 10-Year Plan are budgeted at \$646,000 in 2015/16 and averaging \$700,000 per year over the next 10 years. These funds were previously administered through the economic development budget.

The budget for supporting business initiatives is \$67,500 in 2015/16 with an additional \$120,000 in 2015/16 to support local initiatives, including any initiatives arising from the regional economic growth

study which is a collaboration between the Government and the councils in the Horizons region.

Tourism and visitor services - attracting visitors

Visit Whanganui, which is now under the umbrella of Whanganui & Partners, continues to oversee district marketing and promotion activities and ensures that i-Site Visitor Centre operations align with and support the marketing strategy.

We have allocated \$1.1M for visitor services in the first year of the 10-Year Plan rising to \$1.5M in 2024/25. User fees and other income are forecast to grow from approximately \$83,000 in 2014/15 to approximately \$90,000 in 2015/16.

We have budgeted for grants to assist with attracting and staging major visitor events for all 10 years of the Plan, including the Masters Games (\$40,000), Whanganui Vintage Weekend (\$30,000), Boxing Day motorcycle races (\$20,000) and other iconic events such as the combined Artists Open Studios Weekend and Glass Festival (\$80,000 in total in the first three years of the Plan and, as the events become more self-sustaining, reducing to \$65,000 for three years then \$50,000 for the final three years to 2024/25).

The Waimarie Operating Trust was approved \$40,000 per year for the next 10 years in financial assistance/underwriting to enable the iconic paddle steamer to continue operating and meet its fixed costs. We consider the Waimarie to be a core focus for our visitor promotions and marketing and we accept that financial reassurance is needed at this stage.

Executive summary

Our involvement in the Mountains to Sea/Nga Ara Tuhono Cycleway, which starts on the slopes of Mt Ruapehu and ends at the North Mole, is a valuable opportunity to put our district on the map and to continue to grow the number of cycle tourists from overseas and from around New Zealand. A previously allocated grant from Wanganui Incorporated enabled us to obtain funding from Central Government from its Maintaining the Quality of Great Rides Fund. That will be spent on Stage 1 of the off-highway shared biking and walking pathway from Upokongaro to the sea – the first 2.4km downriver from Upokongaro and on public land beside the Whanganui River.

We decided that consultation with land owners of properties within stages 2 & 3 be conducted before any work commences. This will better enable us to define the entire route and get a more definitive idea of the total project costs.

The actual route of the section between Kukuta and the existing off-road trail is yet to be determined and planning is under way to determine both this and the opportunity to access further funding from Government and other sources. This Plan allocates \$700,000 of Council funds to continue the work required.

A leading edge connected community

In 2014 the Whanganui: Leading Edge vision was developed. A key theme of the vision is to be globally connected and powered by creative smarts. In order to deliver on that vision, we agreed to make the Digital Facilitator role within Council a permanent position to ensure Whanganui gains maximum benefit from the rollout of ultra-fast broadband and our growing reputation as a Smart21 Intelligent

Community. Greater focus will be given to the use of digital technologies to grow business, investment, innovation and to enhance our reputation. This is a key role to support the implementation of the Economic Development and Digital Strategies being driven by Whanganui & Partners. There is \$20,000 per year in the Plan for supporting digital initiatives.

Regional growth focus

Along with other councils in the region we are working to facilitate economic growth and prosperity for our communities. This collaboration has seen Central Government invest in a Regional Growth Study that identified key opportunities for growing our regional economy.

Councils in the region have also invested in the Central New Zealand Agribusiness Strategy – one opportunity already identified from the Growth Study. The base strategy was completed in June 2015 and aims to double the region's agribusiness exports to \$3.8 billion by 2025.

As the results of the Growth Study and Agribusiness Strategy are put in place, councils are likely to continue to invest in growing our prosperity. We will source any funding that might be required from our local initiatives fund.

Castlecliff and town centre

We have allocated \$55,000 per year for five years of this 10-Year Plan to explore new opportunities for rejuvenation in Castlecliff (2015/16) and regeneration in the town centre (2016/17). These two projects have great potential for positive development that will boost the district's appeal as a great place to live, work and visit.

Executive summary

The Castlecliff project includes a proposed coastal rejuvenation project to bring about the maximum possible benefit socially, culturally, economically and environmentally to the district as a whole and to make better use of what has been a somewhat neglected natural asset. Castlecliff has an active community that is keen to work in partnership with the Council and other organisations. Council will develop a strategy to align many existing and proposed new projects for the maximum benefit of the Castlecliff community, city and district.

The Town Centre regeneration project will develop a master plan which will guide the siting and design of buildings, spaces and activities, in conjunction with our work towards a District Plan that reflects the urban environment we want. Town centre opportunities could include a focus on the river, Te Awa, and providing a strong sense of place, heritage and character while supporting a Maori identity and emerging economy, and increasing our district's appeal as a tourist destination. There is also scope for enabling more town centre living and creating a thriving workplace with scope for entrepreneurial businesses. Strategic walking and cycling linkages could provide greater accessibility to the town centre. We will work with businesses and the wider community to develop an action plan and a strategic direction to reflect the importance of the centre of our district.

Iwi relations

The signing in August 2014 of the Whanganui River Deed of Settlement between the Crown and Whanganui Iwi heralded a unique approach which recognises the status of the Whanganui River (including its tributaries) as Te Awa Tupua, an integrated, living whole from the

mountains to sea. The settlement enables it to have legal standing and an independent voice.

We are working with iwi, Central Government, other district councils and Horizons Regional Council, along with commercial and recreational users and other community groups, to develop a Whole of River Strategy that will identify issues for the river, consider ways of addressing them and recommend actions. The goal of the strategy will be to ensure the long-term environmental, social, cultural and economic health and wellbeing of the river.

Our role in the development of the river strategy will have significant implications for Council policy development and decision making, particularly in developing partnerships with iwi and consultation on decision making involving Resource Management Act and Local Government Act processes.

Ngā Tāngata Tiaki o Whanganui, the post settlement governance body, is to undertake a scoping study for Te Awa Tupua that will set the scene for work on the Whole of River Strategy. Council is represented by appropriate staff on the Whanganui River Settlement Technical Officers Group and a working group has been set up to prepare a brief for the scoping study to consider the following:

- the current state of the health and wellbeing of Te Awa Tupua;
- the nature and extent of the current interests in and uses of Te Awa Tupua; and
- issues affecting the health and wellbeing of Te Awa Tupua.

Executive summary

A dedicated Programme Coordinator position is proposed for work by the Technical Officers Group, including the scoping study. We anticipate that Council, along with other agencies and councils participating in the working group, will be asked to provide financial support for the Programme Coordinator role.

The partnership approach that is the key to the Whanganui River settlement requires Council to work closely with iwi to safeguard and manage the health and wellbeing of Te Awa Tupua. We have therefore allocated \$150,000 for cultural advice required by Council within each year of the 10-Year Plan. This funding will ensure we are able to work meaningfully with Whanganui iwi and with neighbouring iwi Nga Rauru and Ngati Apa.

Sport and recreation initiatives

We are considering the best use of our existing sporting facilities and how we can meet future needs. We have appointed Sport Whanganui to develop a Sport and Recreation Strategy. This will look at possible future areas of investment, such as the development of Springvale Park into a sports hub as an option for consideration, and other initiatives to provide for sport and recreation. We have allocated \$5M in 2020/21 for initiatives arising out of the strategy.

Changes to development contributions

We have adopted a new policy of collecting no development contributions from 1 July 2015.

Instead, we will use a range of tools such as infrastructure access fees, targeted rates and private developer agreements to reflect the true cost of providing network infrastructure for growth in the district. We believe this approach better reflects our district as a 'business friendly' place and will be favourable for developers.

The legislation allows us to retain development contributions that have already been collected, subject to the funds being used for the work for which they were collected.

You can read the full development Contributions Policy on the Council website.

FINANCIAL STRATEGY - THE BIG PICTURE

The Financial Strategy describes how we plan to finance our services in a way that is sustainable over the long term. If our expenditure and funding plans are not sustainable we may not have the capacity or resources to deliver affordable services to residents and ratepayers in the medium and long term.

As a community of limited means and low population growth, we must be in a position to survive any future economic shock. The way to achieve that is to reduce borrowing for non-essential items and therefore reduce interest costs. We also must commit to repaying debt by increasing rates. See page 149 for the full Financial Strategy.

Executive summary

Key financial assumptions

Dividends	Wanganui Gas: Ongoing dividend of \$800,000 (used partly to fund rates). Forestry: \$500,000 in 2015/16 and another \$500,000 in 2020/21 (used to repay debt). There is the possibility that if the forestry is sold these dividends would no longer be available; however, this will be compensated for by a decrease in debt servicing.
Inflation	We have used the BERL forecasts of price level changes to calculate a weighted average inflation rate for each year of the Plan.
Interest rates	We have assumed interest at 6%.
Development Contributions	We have assumed zero income from Development Contributions.

Change to prior financial strategy

We were close to reaching a tipping point where a build-up of changes over time was leading us to a point where a lack of resources meant it was just not possible to maintain our facilities and services at current levels. We have made steps to turn this around and this strategy looks to generate net operating surpluses to repay debt and provide for replacement of assets.

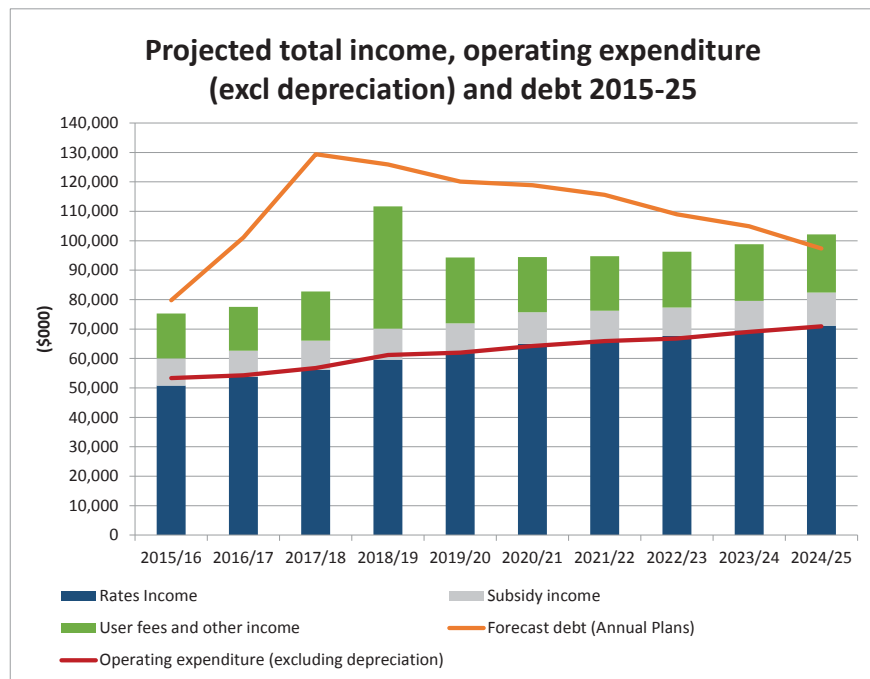
To ensure we are sustainable we will stick to the following limits:

Debt	Less than 200% of total revenue
Net interest rates (excluding trade waste, metered water and penalties)	Less than 15% of total revenue
Total rates (excluding trade waste, metered water and penalties)	No more than 75% of Council's total revenue
Rate increase for existing ratepayers ¹	No more than Local Government Inflation plus 2% plus debt repayment and earthquake strengthening rate

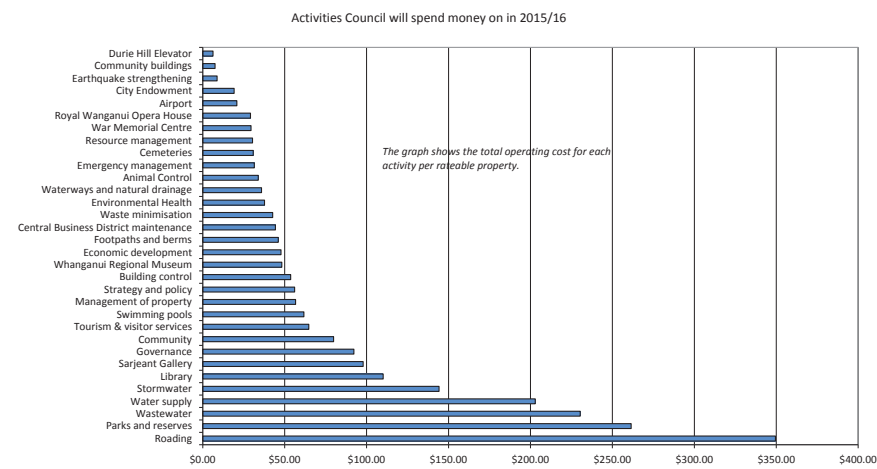
We will continue to charge targeted rates for debt repayment and natural disasters, especially for earthquake strengthening Council-owned buildings. Our full suite of rates and our rationale for charging them can be found in our Revenue and Financing Policy on page 126.

The following graph shows our projected income and operating expenditure (excluding depreciation) over the next 10 years. Council uses these surpluses before depreciation to fund capital renewals. The graph also shows that we expect to start repaying debt after we have built the wastewater treatment plant.

Executive summary



Your rates continue to make Wanganui one of the best places to live in New Zealand. They enable us to meet the needs of our community and provide services for our collective benefit – things that we could not effectively charge for otherwise. This might be because they are publicly available but difficult to charge for (things like parks, roads and street lights) or because the full charge would be too expensive for most people to afford (for example, swimming pools, libraries and art gallery).



Our rate increases

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Rates Increase (to existing ratepayers)	4.1%	5.4%	4.1%	5.7%	3.5%	4.8%	1.6%	1.8%	2.5%	2.0%
Proposed rates limits	4.2%	6.1%	4.5%	4.6%	4.8%	4.9%	5.0%	5.2%	5.4%	5.5%

Other than in 2018/19 (the years we build the wastewater treatment plant) our rate increase is less than the limits in the table above.

What your rates mean

The above graph gives an indication of the major activities that we spend money on. It is based on operating costs and does not include other revenue sources such as subsidies received from the New Zealand Transport Agency (NZTA).

Executive summary

RATES FOR DIFFERENT TYPES OF PROPERTY

The following table provides indicative rates increases for the average Residential, Commercial and Farming properties.

An individual property's rate increase could significantly vary from these averages as we have more than 50 different rates and these rates have increased/decreased by differing amounts. Additionally not all properties pay the same rates; for example, properties not connected to the city water system don't pay the City Water Supply rate.

	Residential	Farming	Commercial	Overall
Average rate increase 2015/16 (%)	3.7%	7.9%	5.1%	4.1%
Average rate increase 2015/16 (\$)	\$83	\$218	\$444	
Capital value of average property 2015/16	\$200,000	\$697,000	\$978,000	
Average rate 2014/15	\$2,248	\$2,754	\$8,714	\$2,672
Average rate 2015/16	\$2,331	\$2,972	\$9,158	\$2,782

The main reason why Farming properties' rates have increased greater than the overall average is that during our funding review we decided that we would collect a smaller amount of rates on a per property basis and more rates based on land value. As Farming properties have high land values their rates increased more than the average.

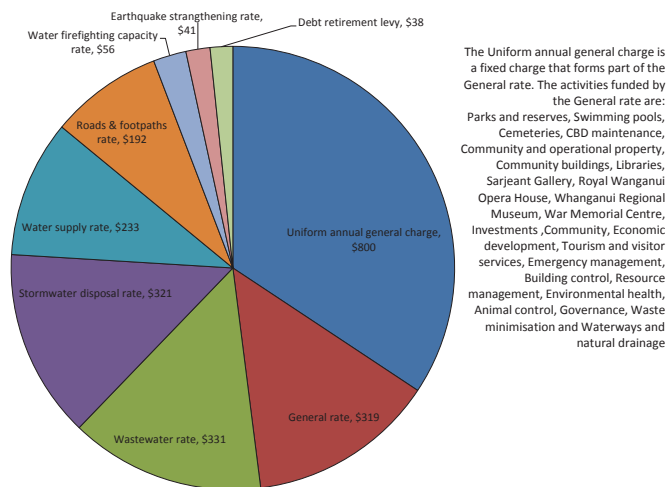
Commercial properties' rate increase is greater than the overall average as they pay for 70% of the Economic development and Visitor services (including i-Site Visitor Centre) activities. These budgets have increased by greater than the average rate; therefore, the commercial property rates have increased greater than average.

Residential properties' rate increase is less than the overall average increase as during our funding review we decided that we would collect a smaller amount of rates on a per property basis and more rates based on land value. As Residential properties have low land value their rates increased less than average.

The graph below shows the how the rates on an average residential property are made up.

Executive summary

How an average Wanganui residential rate of \$2,331 is made up



Paying a fair share - trade waste bylaw

Trade waste accounts for approximately 50% of the load/volume of waste that a new wastewater plant must be able to treat. Trade waste charges are designed to ensure commercial users that contribute waste for treatment by Council's plant pay a fair amount for the service they receive.

The current fees regime is set by the Trade Waste Bylaw of 2008 which will expire in mid-2015. In view of the delays to construction of the treatment plant, we are proposing to issue a new bylaw, based substantially on the old bylaw, to cover the period until a new plant is in operation. We will continue to work with industry on options and costings and how much they will pay for the new plant. These

discussions will determine the scope of a new trade waste cost model and trade waste bylaw.

When we have sufficient information available about capital and operating costs of a new plant, and any change in approach by trade waste producers, we will draft a proposed new bylaw with charges designed to spread the cost of treatment across all users of the plant in a fair and equitable way.

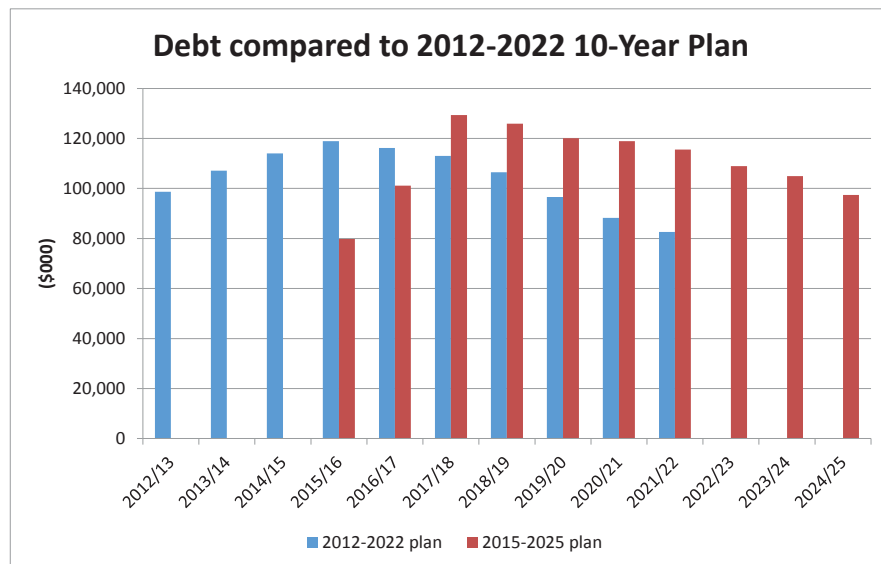
Peak debt - why intergenerational equity?

Major infrastructure work over the past 30 years, including the wastewater separation system and improved water supply, has provided our community with assets that will serve many decades into the future.

Council still carries much of the debt that was used to fund these projects, on the basis that future generations of residents would share in the benefits, so it is only fair that they share the costs by servicing the debt and continuing to repay principal.

The following graph shows the change in forecast debt between the 2012-2022 and 2015-2025 10-Year Plans.

Executive summary



Debt is higher for 2015-2025 as when we prepared the 2012-2022 Plan we did not know we would need a new wastewater treatment plant.

We will continue the debt retirement rate that we introduced in 2012 through the life of this Plan. This will continue to amount to approximately \$33 per household for each year of the Plan.

Opening debt is \$83.5M and the good news is that thanks to continued repayment and reduced new borrowings the peak is now expected to be \$116.7M – \$2.3M less than we forecast in 2012.

In 2015/16 we are forecasting that debt repayments will exceed new loans by \$3.6M. This is the first time in 15 years that we have budgeted loan repayments to exceed new loans. We expect to repay debt in seven

of the next 10 years. However, this may change if the capital programme changes from the current position.

We have assumed that on average Council will pay 6% interest on debt over the 10 years (7% 2012-2022).

Rating review - making our rating system fairer

Our ongoing review of our Revenue and Financing Policy is an important part of our continuous drive to ensure fairness of our rating structure. The following changes take effect during the Plan:

More flexibility: A new UAGC rate (uniform annual general charge) will replace the Community Facilities Rate. The UAGC and the general rate will now fund the following activities: Cemeteries, Airport, Animal control, Building control, CBD maintenance, CBD parking, City Endowment, Community buildings and rural halls, Community development, Cooks Gardens, Durie Hill elevator, Economic development, Emergency management, Environmental health, Environmental policy, Governance and democracy, Harbour Endowment, Investments, Library, Parks and reserves, Pensioner housing, Property, Regional Museum, Resource management, Royal Wanganui Opera House, Sarjeant Gallery, Swimming pools, Visitor services (including i-Site), War Memorial Centre, Waste minimisation, Waterways and natural drainage.

Previously the Community Facilities Rate paid for specified activities including parks and reserves, Library, Museum etc. Generally the cost

Executive summary

of these services has increased faster than other rates and the rate became a larger portion of total rates.

The change was made so we could better control the amount of rates we collect on fixed charges per property as they have a greater impact on those ratepayers who own lower valued properties and are generally least able to pay.

Total rates collected under this change remain the same; rates based on fixed charges will decrease and rates based on the land value of properties will increase.

Economic development: The General Rate differential for sharing the Economic Development activity will be progressively changed over the 10-Year Plan period to reduce the share paid by commercial ratepayers, from the existing split of 75% Commercial, 20% Residential and 5% Farming. In 2015/16 income from the Economic Development activity will total \$2.3M and will be split 70% Commercial, 24% Residential and 6% Farming. This differential will gradually change over the first years of this Plan, resulting in a reduction of the share paid by commercial ratepayers. We think the increased share by residential and farming ratepayers is a fairer reflection of who benefits from our Economic Development work. By helping increase the economic prosperity of the district, Economic Development activities provide benefits that flow through the population, especially in the form of increased jobs and business opportunities, and access to a wider range and higher quality of services.

Wastewater: A new fixed rate for properties not connected to the wastewater scheme will be introduced to reflect the general benefits of living in a district with wastewater networks and treatment facilities that help protect the environment. Ratepayers living outside the immediate wastewater network catchment area benefit from the clean environment an efficient sewage system provides, and it is fair that they should pay towards the cost of efficient treatment. This new uniform rate is proposed to be introduced when we build the new treatment plant and is likely to be around \$50 for each property it applies to. After considering the effect of the rate rise on properties, we have set this rate to zero for the 2015/16 year.

You can read the full Revenue and Financing Policy on page 126.

Increase income - when the going gets tough

Having committed to a financial strategy of reducing borrowing and repaying debt, we need to look closely for areas of potential cost savings and find ways to increase Council's income outside of the general and targeted rates that we charge industrial and residential users.

We are increasing a range of user-pays charges including cemetery burial fees (10% increase), water connection fee (increase from \$850 to \$1200) and stormwater connection fee (increase from \$615 to \$900). For a full list of our fees and charges see page 62.

Other initiatives to increase income and reduce expenditure that Council decided on include:

Executive summary

- Reviewing the annual grant for Sport Whanganui, which means an 11% increase in swimming pool charges and a 7% reduction in the Sport Whanganui grant from \$690,000 to \$640,000. The fee increase is 50 cents per admission – this would take the entry fee for an adult from \$4.50 to \$5.00.
- The possibility of selling surplus property. Mindful that this is an issue that can provoke strong reactions from sections of the community, staff are identifying surplus properties that might be suitable for sale. This is an important potential source of funds to help achieve our debt repayment strategy and any properties proposed for sale will be subject to community consultation at the time.
- Continue to work with many of the organisations we partner with to deliver community services and amenities, to explore ways to reduce Council’s share of ongoing operational costs.

The following graph shows where Council gets its money and where it spends the money.



In 2015/16, the first year of our 10-Year Plan, we are budgeting for total income of \$75.2M, with 32% (\$23.9M) from sources other than rates. We expect this non-rates income to increase to \$31.4M (30% of total income) in 2024/25.

Our investment portfolio: Income from our investment portfolio is an important component of our non-rates income that helps to reduce the burden on our ratepayers and/or repay debt as we strive to meet our vision of being a leading edge district.

Wanganui District Council Holdings Ltd (WDCHL) is the Council’s investment arm. It oversees investment activities that aim to enhance the development of our district and provide an acceptable financial return to the community.

Executive summary

Our Investments activity currently has five major components:

- Wanganui Gas Ltd, which operates under the direction of Wanganui District Holdings Ltd (WDCHL), is a profitable natural gas infrastructure utility business. This 10-Year Plan has a reduction in the amount of dividends received from the gas company. The amount budgeted by Council for each year of this Plan is \$800,000, with \$600,000 being applied to the wastewater activity to offset rates and \$200,000 used to repay loans. The reduction in the dividend, from \$1.25M in 2014/15, will enable Wanganui Gas Ltd to retain funds to invest in smart metering. Any surplus funds can be utilised to repay debt sitting within WDCHL.
- Wanganui District Councils' Forestry Joint Committee - Council owns 95.09% of the forestry investment, with Ruapehu and South Taranaki owning the remainder. It provides a financial return to assist in reducing the burden on rates. It also provides opportunities for carbon offsets and to make environmentally and economically sustainable use of erosion-prone land. Forestry dividends are forecast in our 10-Year Plan to be \$500,000 in both 2015/16 and 2020/21. NOTE: After consulting the community the Council has decided to sell the forestry assets. Due to uncertainty of when a sale would proceed, or likely sale price, this plan has continued with the status quo. Should Council sell the forestry assets any proceeds from the sale are likely to be used to repay debt.
- Harbour Endowment property portfolio - required to be used for the maintenance and development of the sea port and associated river works. We expect this will provide funds for WDCHL's role in any port or recreational boating projects.
- City Endowment property portfolio - required to be used for the benefit of the people of the district. Portfolio properties are used either for parks or to return a rental to reduce the level of rates required by Council. NOTE: We are investigating selling surplus properties in this portfolio and using the funds to offset rates increases.
- Quarry - our Waitahinga quarry has shown good reserves of quality shellrock and is in the early stages of development for future sale of the shellrock. We expect it will provide a net revenue stream which can be used to offset rates.

Negotiations are continuing between the Council, through its investment arm Wanganui District Council Holdings Ltd (WDCHL), and Tupoho Trust on the final shape of the joint venture operations of the Port. The joint venture partners believe there are both economic and community benefits that can be generated from a revitalised port waterfront.

This Plan includes the establishment of a new entity (see page 59). This entity will be used as the vehicle to run the operations of a new investment opportunity on which Council, through Wanganui District Council Holdings Ltd, is currently undertaking due diligence.

Executive summary

Subsidies we receive: We receive a range of subsidies from Central Government and these are an important component of our non-rates income. We are budgeting to receive 64% of \$14.1M in 2015/16, reducing to 60% by 2024/25. Roading subsidies from the NZ Transport Agency (NZTA) are by far the biggest single subsidy source at \$8.5M in 2015/16. However, NZTA has said it will progressively reduce the Financial Assistance Rate (FAR) level that it uses to calculate these roading subsidies and that will effectively mean the Government's share of our roading budget will drop by \$2M over the next five years. There is, however, a risk that this will further drop by \$5M for years 5 to 10 of the plan should NZTA also not wish to provide funding assistance for the reinstatement of our rural roads affected by forestry harvest activities.

Fees & charges: Fees and charges for services and facilities, ranging from building consents and dog registration to swimming pool charges and hall hire, make up 17% of our total income. We believe that while these activities and services provide benefits for the wider community, it is only fair that a significant element of user-pays applies. We are increasing some of our fees and charges in 2015/16; including a 50 cent increase per admission at the Splash Centre. We will continue to review our fees and charges annually.

Loans raised: While we are strongly committed to cutting back borrowing and repaying debt through our debt retirement levy, there will continue to be occasions when borrowing to fund capital projects is a prudent and necessary step. Current low interest rates and our preferential borrowing arrangements through the Local Government Funding Agency assist with this. Construction of a new wastewater treatment plant is an example of an expensive capital project that would be unaffordable if we had to fund it solely from rates income so we plan

to raise loans totalling approximately \$30M to begin construction in 2017/18.

General asset provision: We have been conservative in preparing our 10-Year Plan and while our Asset Management Plans have been the basis for forecasting our future capital replacements there are potentially some financial risks that fall outside the scope of asset management planning.

Such items include major asset failures or Central Government policy changes such as requirements to strengthen earthquake-prone buildings. In addition, projects requiring new capital expenditure in the latter period of this Plan may not have been identified or there may as yet not be enough information to have a robust debate around their merits versus their cost.

Due to there being a higher level of uncertainty in later years, we have included \$16M of unallocated capital expenditure in Years 6-10 of this Plan. This is not a commitment to spend this money; rather it is an acknowledgment that in the future it is likely there will be some robust projects that the community values and there will be some related cost. The provision allows us to forecast average capital expenditure levels in Years 6-10.

Balanced budget: We have a 'balanced budget' requirement – that means we must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. This Plan has budgeted to achieve that. In addition, while borrowing will be necessary to build the new wastewater plant, in the latter years of this Plan we aim to start reducing debt levels.

Executive summary

The Council's finances for the next 10 years

The following Prospective cost of service statement shows Council's income and expenditure over the next 10 years. Council uses this format to develop its budgets and account for income and expenditure via its monthly management reporting process. Total income increases from \$75.3 million in 2015/16 to \$105.2 million in 2024/25. Of the increase of \$29.9 million, rates collected will increase by \$25.5 million over the 10 years. Council is forecasting an average 3.4% increase per year in total activity costs. Nearly \$300 million is programmed to be spent on assets over the 10 years. The Council's debt will peak at \$117 million in 2017/18 and then progressively decrease through the subsequent years of the Plan to reach \$89 million in 2024/25. Detailed prospective financial statements can be found on pages 75 to 125 of Volume 1.

Reconciling the Prospective cost of service statement to Statement of comprehensive revenue and expense

The purpose of the "Prospective cost of service statement" (COSS) is to show how much Wanganui District Council spends and how that spending is funded. This statement differs from the "Prospective statement of comprehensive revenue and expense" (SCRE) in that it includes capital expenditure and excludes non cash items, that are not funded.

Total revenue in the COSS excludes Gains from the revaluation of investment properties.

Total expenditure in the COSS does not include depreciation, but does include capital expenditure and loan/reserve funding.

Wastewater Treatment Plant

The story so far

In March 2016 our council confirmed that it would build a new wastewater treatment plant, designed by Cardno. The new build follows the failure of the previous plant which was built in 2007.

Although the Cardno design was approved in June 2014, we put the build on hold in December 2014 due to potential unaffordability for our community and uncertainty about the amount of sludge produced, as well as the method and cost of its disposal.

Our forecasts from 2015 planned the construction of a \$31.9M plant in 2017/18. We noted that the plant would be built when an affordable and sustainable solution was found, and this may occur earlier or later. The plant was forecast to operate from 2018/19 and operating costs were based on disposal of dewatered sludge to Hampton Downs landfill in the Waikato.

Since that time the Council has investigated various options for minimising the costs and risks involved with the disposal of the sludge expected to be produced by the new plant.

The March 2016 approved design includes an estimated additional cost of \$9.3M including an allowance for inflation for a sludge drying facility, a resource consent and equipment for spreading the dried solids to land. Drying the sludge significantly reduces the quantity from around 18,000 tonnes per year to around 4,000 tonnes per year and also increases the options available for its reuse or disposal.

It is now anticipated that the project will cost \$41.2M, including an allowance for inflation over the 2016/17 and 2017/18 years. With a guaranteed maximum price for the construction of the new plant to be negotiated, taking into account actual changes in inflation and the

exchange rate and the inclusion of the sludge dryer, the estimated cost is likely to change. The plant is expected to be operational from 2018/19 with the dried sludge to be disposed to the onsite settling pond for the first three years, and then being spread to land.

The Council is seeking a three-year short-term resource consent to continue the discharge of milli-screened wastewater to the South Beach outfall. We have no other short-term alternative.

The plant will be financed by borrowing \$16M in the 2016/17 year and \$25.2M in the 2017/18 year. We expect to be able to secure long-term borrowing at 4.5%, which is less than the 6% originally forecast. We have also reduced the opening loans compared to those that we had previously forecast. Interest costs have therefore decreased, despite additional loans for the dryer.

When the plant is operational in 2018/19 it is expected that the dried solids will be disposed of to the now redundant settling pond on the wastewater treatment plant site for the first three years (2018/19 to 2020/21) and thereafter be spread to local land. Disposing of the dried solids to the settling pond is estimated to reduce operating costs by \$2.9M per year compared to disposing dewatered sludge to Hampton Downs landfill as initially proposed. Spreading the dried solids to land will add approximately \$100,000 (\$0.1M) to annual operating costs from 2021/22.

Date	Event
July 2007	Council required to discharge fully treated effluent to meet outfall consent.
July 2007	MWH-designed wastewater treatment plant officially opened.

Wastewater Treatment Plant

Date	Event
2007 - 2012	Odour issues and non-compliance with outfall consent conditions.
December 2012	Extensive odour issues affect the city as the plant continues to fail to treat the wastewater.
January 2013	Council appoints Cardno-BTO to advise whether the failed plant can be salvaged.
March 2013	Council retains AECOM to peer review Cardno-BTO's design.
April 2013	Cardno-BTO advises that the current plant is not viable.
April - July 2013	Expert opinion identifies that the MWH plant design was fundamentally flawed and Council commences legal action against MWH.
August 2013	Cardno-BTO provides a developed design with an expected total cost to build of \$25M. Operating costs estimated at \$5.6M (excluding overhead and debt repayment) per year. Council resolves to proceed to detailed design and tender documents.
January 2014	Wastewater discharged directly to the sea under emergency bypass conditions to allow removal of sludge and emptying of the existing pond (to reduce odour and in preparation for plant upgrade).
April 2014	Expert advisor appointed to provide additional opinion on the proposed design.
June 2014	Council accepts changes to the detailed design recommended by the peer reviewers and expert advisors, with an expected \$6M increase in capital cost to build the plant.

Date	Event
July – September 2014	Cardno-BTO adapts the design to incorporate the additional peer review recommended items. Council negotiates with the preferred tenderer on the cost of these agreed changes.
September – November 2014	Council estimated total cost to build now \$38M (in 2015 dollars). This includes \$7.7M of design and sludge removal costs which have already been spent. Council works with Cardno-BTO to refine operating cost estimates. Operating costs for the plant are now anticipated to be \$9.7M per year (excluding inflation overhead and debt repayment).
December 2014	Council approves delay in construction of wastewater treatment plant as current information suggests that it may not be affordable for household and businesses.
December 2014	The construction delay leads Horizons Regional Council to advise Council to apply for a short-term consent to continue to discharge screened, untreated wastewater directly to the outfall. The application must be submitted by 30 March 2015.
February 2015	Council decides that more information is needed to establish operating costs and options for managing and disposing of sludge before making a decision to proceed with construction.
March 2016	The Council approved the updated Cardno designed wastewater treatment plant with the addition of a sludge drying facility. The Council agreed to proceed with the approved plant on

Wastewater Treatment Plant

Date	Event
	the basis of an expected project capital cost of \$39M plus inflation and exchange rate variances.

Is the proposed design suitable?

We have undertaken a rigorous and robust process, including having the design recommended by Cardno-BTO reviewed by two independent and reputable wastewater engineering consultancies. From this process we are confident that we have a design that meets the functional wastewater treatment requirements of our community and that the discharge to the sea will meet the requirements of our consent.

Funding and rates impact

There will also will be an increase to the wastewater rate over the next three years. In 2015/16 the wastewater rate was \$331; in 2016/17 we expect this to increase to \$353. Note: Residential properties connected to the wastewater network only pay a single charge, regardless of how many toilets they have.

The Council will decide later how much of the estimated \$11.3M of costs for the wastewater activity in 2018/19 will be funded from trade waste users and other ratepayers. Each \$1M added or removed from trade waste rates impacts the wastewater rate by \$60 per property. It is likely that ratepayers will be consulted on this in future annual plans.

Building the new Cardno-designed wastewater treatment plant is essential to ensure we have an environmentally sound process to treat waste in our community. Building the new plant is our only option.

UNCERTAINTIES AROUND COST AND FUNDING

The cost of the improvements is estimated at \$41.2M (including inflation of \$2.1M and contingencies of \$2.5M). Costs may vary as the guaranteed maximum price contract has not yet been priced with the inclusion of the dryer and to reflect current market conditions (inflation and exchange rate). Each \$1M added or removed from the total cost will impact on rates by \$70,000 (\$0.07M) per year.

Trade waste rates are \$4.5M per year from 2018/19 onward. It should be noted that final funding mixes have yet to be decided. It is likely that ratepayers will be consulted on this in future annual plans. Each \$1M added or removed from trade waste rates impacts the wastewater rate by \$60 per property.

ASSUMPTIONS

- Loans to fund the wastewater treatment plant construction can be secured at 4.5% per year.
- Loans are repaid over 25 years.
- The plant is constructed in 2016/17 and 2017/18 and is operational from 2018/19.
- The plant will meet the conditions of the current outfall consent.
- The current trade waste industries will continue to use the new plant.
- Approximately 4,000 tonnes of dried solids per year will be produced at the plant.
- The dried solids are able to be disposed of to the onsite settling pond for the first three years of operation (2018/19 to 2020/21) and thereafter can be spread to local land.

Wastewater Treatment Plant

- Local land and required resource consents can be obtained for spreading the dried solids to land once the capacity of the onsite settling pond is exhausted (from approximately 2021/22).

Prospective cost of service statement

	Annual Plan	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	2014/15	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Revenue												
Rates (excluding metered water, trade waste and penalties)		48,619	50,817	53,770	56,171	59,563	61,852	64,994	66,225	67,637	69,535	71,145
Subsidies		7,928	9,205	8,888	9,888	10,568	10,073	10,697	9,985	9,642	10,006	11,285
User fees and other income		15,456	15,258	14,868	16,670	41,566	22,410	18,764	18,558	18,997	19,296	19,732
Total revenue		72,002	75,280	77,527	82,729	111,697	94,335	94,455	94,768	96,276	98,837	102,162
Capital funding												
Transfer from/(to) special funds		(493)	(513)	(513)	(392)	(513)	(513)	(513)	(513)	(513)	(513)	(513)
New loans/(loans repaid)		13,681	(3,706)	22,829	28,230	(3,428)	(5,867)	(1,201)	(3,286)	(6,624)	(4,018)	(7,576)
Total capital funding		13,188	(4,219)	22,316	27,838	(3,941)	(6,380)	(1,714)	(3,799)	(7,137)	(4,531)	(8,089)
Total funding		85,191	71,061	99,843	110,567	107,756	87,955	92,741	90,969	89,139	94,306	94,073
Expenditure												
Operating costs		32,506	33,092	33,409	34,188	37,190	37,770	39,709	40,970	41,550	43,542	45,046
Salaries and wages		14,598	15,373	15,674	16,111	16,974	17,488	17,971	18,495	19,054	19,663	20,312
Debt servicing		6,295	4,886	5,201	6,437	7,010	6,751	6,558	6,419	6,157	5,855	5,525
Total expenditure		53,399	53,352	54,284	56,736	61,175	62,009	64,238	65,884	66,760	69,059	70,883
Capital expenditure												
Capital acquisitions		19,319	5,788	24,820	37,773	33,097	11,464	8,608	7,419	6,501	8,083	7,498
Capital replacements		12,473	11,922	20,739	16,058	13,484	14,482	19,895	17,666	15,878	17,164	15,692
Total capital expenditure		31,792	17,709	45,559	53,831	46,581	25,946	28,503	25,085	22,379	25,247	23,190
Total funding requirement		85,191	71,061	99,843	110,567	107,756	87,955	92,741	90,969	89,139	94,306	94,073
Rates increase (to existing ratepayers) ¹		4.9%	4.1%	5.4%	4.1%	5.7%	3.5%	4.8%	1.6%	1.8%	2.5%	2.0%
Debt balance ²		106,006	79,814	101,143	129,373	125,945	120,078	118,877	115,591	108,967	104,950	97,374

¹Assumes growth in the rating database of \$200,000

²Opening loans for 2016/17 have been restated to incorporate subsequent information.

Rates required by activity for 2015/16 \$000

Activity	Revenue (\$000)	Operating costs (\$000)	Personnel costs (\$000)	Finance costs (\$000)	Capital expenditure (\$000)	Capital funding (\$000)	Rates requirement ¹ (\$000)	2014/15 Rates requirement ¹ (\$000)	Full time equivalent staff	Forecast Loans at 30 June 2016 (\$000)
Water supply	(1,725)	3,163	378	707	1,174	1,300	4,997	5,506	5.8	11,025
Water supply	(1,725)	3,163	378	707	1,174	1,300	4,997	5,506	5.8	11,025
Stormwater	(40)	899	205	1,915	940	945	4,864	4,602	3.2	31,147
Stormwater drainage	(40)	899	205	1,915	940	945	4,864	4,602	3.2	31,147
Waterways and natural drainage	0	732	35	(16)	85	60	896	947	0.3	(291)
Waterways and natural drainage	0	732	35	(16)	85	60	896	947	0.3	(291)
Wastewater	(2,650)	3,708	540	575	2,360	1,030	5,563	5,349	7.4	8,972
Sewerage and the treatment and disposal of sewage	(2,650)	3,708	540	575	2,360	1,030	5,563	5,349	7.4	8,972
Footpaths and berms	(22)	930	31	3	317	10	1,269	1,314	0.3	46
Roading	(9,604)	6,394	399	523	8,264	60	6,036	5,762	4.4	8,833
Provision of roads and footpaths	(9,626)	7,324	430	526	8,581	70	7,305	7,076	4.7	8,879
Parks and reserves	(523)	4,523	724	226	1,658	(797)	5,811	5,753	15.0	4,127
Swimming pools	0	1,086	1	204	101	425	1,817	1,705	0.0	3,160
Parks and recreation	(523)	5,609	725	430	1,759	(372)	7,628	7,458	15.0	7,287
Community development	(49)	1,101	587	(16)	12	0	1,635	1,469	8.2	(266)
Libraries	(315)	937	1,333	34	440	42	2,471	2,383	25.5	548
Sarjeant Gallery	(283)	1,053	893	104	24	30	1,821	1,620	14.1	1,689
Royal Wanganui Opera House	(81)	397	197	15	161	(130)	559	445	3.4	318
War Memorial Centre	(90)	404	169	44	48	(50)	525	346	3.0	744
Whanganui Regional Museum	(75)	959	14	36	149	(70)	1,013	909	0.1	638
Earthquake strengthening	0	0	0	184	950	(360)	774	725	0.0	3,212
Community and cultural	(893)	4,851	3,193	401	1,784	(538)	8,797	7,897	54.2	6,883
Whanganui & Partners - Tourism & visitor services	(90)	975	369	12	0	20	1,286	1,199	6.3	193
Whanganui & Partners - Economic development	0	629	366	4	0	0	999	777	4.3	60
CBD maintenance	(2)	930	3	(4)	30	0	957	916	0.1	(60)
Economic development	(92)	2,534	738	12	30	20	3,242	2,892	10.7	193
Cemeteries	(463)	609	5	31	67	(50)	199	151	0.1	533
Waste minimisation	(235)	761	0	132	0	150	808	814	0.0	2,118
Pensioner housing	(1,320)	1,141	86	97	65	(69)	0	0	1.6	1,637
Community buildings and rural halls	(11)	145	16	(4)	36	(30)	152	131	0.3	(59)
Emergency management	(8)	379	276	3	84	(20)	714	656	2.0	53
Environmental policy	0	792	373	8	0	(200)	973	939	4.9	237
Building control	(910)	515	604	4	0	20	233	121	9.0	60
Resource management	(272)	245	390	0	0	0	363	286	5.5	0
Environmental health	(132)	508	281	0	0	0	657	667	4.0	0
Parking	(1,149)	775	212	1	0	50	(111)	(140)	4.6	10
Animal control	(393)	430	279	0	0	6	322	191	4.1	0
Community facilities and services	(4,893)	6,300	2,522	272	252	(143)	4,310	3,816	35.9	4,589
Airport	(256)	242	132	63	0	80	261	248	4.4	989
Sea port	0	0	0	0	0	0	0	0	0.0	0
Durie Hill elevator	(30)	127	5	(1)	6	(9)	98	96	0.1	(8)
Transportation	(286)	369	137	62	6	71	359	344	4.5	981
City Endowment property portfolio	(609)	298	105	(2)	18	(127)	(317)	(306)	1.3	(45)
Harbour Endowment property portfolio	(1,451)	1,099	125	57	120	50	0	0	1.5	916
Investments	(887)	128	10	72	0	700	23	87	0.1	841
Investments	(2,947)	1,525	240	127	138	623	(294)	(219)	2.9	1,712
Governance and democracy	(10)	1,235	662	34	15	85	2,021	2,010	8.4	512
Corporate management	(615)	(5,787)	5,004	(148)	508	1,038	0	(12)	70.7	3,113
Community and operational property	(163)	631	564	(11)	77	30	1,128	953	7.5	(188)
Corporate	(788)	(3,921)	6,230	(125)	600	1,153	3,149	2,951	86.6	3,437
Expected Carry overs										(5,000)
Total	(24,463)	33,093	15,373	4,886	17,709	4,219	50,816	48,619	230.9	79,814

¹Rates excluding metered water, trade waste and penalties

Consultation

The process

The formal consultation period on the Proposed 10-Year Plan 2015-25 ran from 23 March to 29 April 2015. A broad range of methods were used to engage people in the process and to gather their feedback on what was being proposed.

Approximately 1000 copies of the consultation document were distributed. These were available online, at libraries, the Splash Centre, cafes, at Council reception and on request. In addition to the consultation document large A1 size posters on each of the key issues, and depicting the budget were printed and displayed.

Pop up shop

Council officers hosted a pop up shop on Victoria Avenue for the week of Monday 23 to Friday 27 March. This was advertised through Community Link and provided an opportunity for the community to come in and talk to council officers about the Proposed 10-Year Plan 2015-2025.

Pop up cafes

Café style meeting places were set up in various locations around the district during the week Monday 30 March to Thursday 2 April 2015. These were held in Gonville shopping centre; Aramoho shopping centre; by the i-Site next to the river; Wanganui East shopping centre; Castlecliff, and Virginia Lake. Each pop up cafe was hosted by the area's portfolio councillor along with Council officers.

Market stall

Council officers also manned a stall at the River Traders Market for two Saturdays – 28 March and 11 April 2015. Many copies of the

consultation document were handed out along with copies of the submission form. All councillors were invited to attend providing an opportunity for the public to address concerns and ask questions directly.

Workshops and forums

Workshops on the Proposed 10-Year Plan 2015-25 were held with the Youth Committee (13 April 2015) and the Rural Community Board (17 April 2015). Both had the opportunity to discuss the consultation document, ask questions and discuss which of the key issues and proposals they wanted to submit on.

In addition, the Economic Development team distributed copies of the consultation document to businesses at their regular meetings and discussions throughout the formal consultation period.

The Positive Ageing Forum held on 11 March 2015 promoted the Proposed 10-Year Plan 2015-25, outlined some of the key issues and the processes for making a submission.

Consultation with Iwi

Officers undertook early engagement on the content for the proposed 10-Year Plan 2015-25 with Council's iwi partners - Tamaupoko and Tupoho, and provided representatives with opportunities to discuss any of the proposals or other matters.

The results

A total of 257 submissions were received, with 66 presenting their submission in person to the Council

Consultation

Over 80% (212) of submissions received were on the Council submission form, with many of these from first time submitters.

Council's response to submissions

Many submitters strongly supported the preferred options as outlined in the Consultation Document. These were confirmed by Councillors and are highlighted in the executive summary, and in our Groups of Activity sections of this document.

One change from the Consultation Document was to the amount of financial support provided to the Waimarie Operating Trust. In the Consultation Document it was outlined that the Trust were seeking \$60,000 in financial assistance. However, Council decided to reduce this to \$40,000, noting there were opportunities to work with Visit Whanganui on marketing.

Other amendments raised through the submission process included:

- financial amendments to recognise insurance savings and Kiwisaver contributions
- an increase in funding for the Splash Centre from \$690,000 to \$780,000 in Year 1
- an allocation of \$75,000 in Year 2 to apply to be one of the councils to trial online elections nationally for the next local government elections
- support for the relocation of the Archives in Year 2 with an allocation of \$100,000
- earthquake strengthening work including \$90,000 for the Royal Wanganui Opera House; \$75,000 to complete the weather sealing of the Alexander Library; and \$40,000 for temporary accommodation for staff at the Alexander Library during the work

- changes to the funding of urban cycleways
- alterations to the performance targets for the water supply activity
- development of a replacement bore (\$1.5M) at Kai Iwi in Year 2 of the Plan.

Some submitters asked the Council to support new initiatives which were not identified in the Consultation Document. This resulted in the Council deciding to implement, or investigate further, some of these including:

- that where appropriate, Council use predictions on climate change in documents and decisions
- a request for further information on the history of the change in name of Springvale to Mosston
- that any decision about painting the town's bridges be delayed until the outcome of a current lighting proposal is known
- liaison between the Antiquities Trust and Whanganui & Partners regarding cooperation of various interest groups
- to work collaboratively with appropriate agencies to determine ways that health needs and eco-design activities can be delivered
- to resend a letter to Tim Grosser to outline the TPPA Action Group Whanganui's support
- discussions on a Restorative Practices workshop and acceptance of the offer for two councillors to join the Restorative City Advisory Group
- request the NZ Transport Agency to review the 70kmph section of Fox Road
- the footpath extension in Caversham Road.

Consultation

Other submitters requested Council's financial support for smaller projects and initiatives. These were declined as some can be addressed within existing funding and other resources. Council encouraged such groups to look at ways to work together to share costs.

Our District - statistical information

Our District

We sit on the south-west coast of the North Island facing the Tasman Sea, south of Taranaki and Ruapehu regions, and north of Manawatu.

This area is known for Maori culture, heritage, and Whanganui National Park and river activities as a result of our position on the banks of the Whanganui River.

Wanganui District Council resulted from the 1989 amalgamation of Wanganui County Council, most of Waitotara County Council, a small part of Stratford County Council and Wanganui City Council. The district has an area of 2,373km². Much of the land in the District is rough hill country surrounding the valley of the Whanganui River. A large proportion of this is within the Whanganui National Park.

All but some 3,800 people in the Wanganui District live in the city itself, meaning there are few prominent outlying settlements.

Our History

Our region is the third oldest settlement in New Zealand. Its original discovery is attributed to Kupe, New Zealand's legendary discoverer. Tamatea, Captain of the Takitimu Canoe, fully explored the region and soon after, attracted by the Whanganui River, Maori settlers came to the region.

The Whanganui River became an important trade and travel route for settled Maori tribes. They built fishing villages on the banks of the Whanganui tidal estuary and permanent pa sites further up the river.

European involvement did not occur until 1831 when the first Europeans landed at the mouth of the river.

Formal European settlement began in 1841, the borough of Wanganui was formed in 1872 and city status was gained in 1924.

The 79 day occupation of Moutoa Gardens, in protest about disputed land ownership, occurred in 1995.

Our communities

Apart from the main urban area, there are small rural settlements at Kai Iwi, Mowhanau, Fordell, Upokongaro, Maxwell and Mangamahu. Marae based settlements are at Kaiwhaiki, Pungarehu, Parikino, Atene, Koriniti, Matahiwi, Ranana and Jerusalem.

Wanganui has a different ethnic mix compared with the rest of New Zealand. Over three-quarters (82%) of residents described themselves as European (74% nationally). Maori comprise a considerably larger proportion of Wanganui's residents when compared nationally; 23% in Wanganui versus 15% nationwide. Less than 3% of residents identified themselves as Pacific and Asian, less than that recorded nationally (7% and 12%).

The 2013 Census of Population & Dwellings recorded a resident population of 42,153 a decline of 1.1% since 2006.

Compared with national averages, the population is slightly older, less ethnically diverse, less well educated and less wealthy.

Our district, along with the rest of New Zealand and other OECD countries, has an ageing population. In 2013, a quarter (25%) of the population was aged over 60 years. Our population is markedly older than average with a median age of 42 years in 2013 compared with 38 years across New Zealand.

Language

Speakers of Te Reo equated to almost 5% of our population, which is almost twice the national rate of 3%.

Families

In 2013, there were 11,127 families in the district. The distribution of family types here differed from the rest of the country, having fewer

Our District - statistical information

couples with children and more one-parent families (Census of Population & Dwellings, 2013).

Housing

The rate of home ownership is similar to the country as a whole. Just over half (59%) of the district's private households owned their dwelling, while another 6% had their homes in a family trust. Twenty eight percent did not own the dwelling in which they lived. The majority of rental properties (82%) are owned by the private sector, with Housing New Zealand Corporation a distant second at 12%. Wanganui District Council owned almost 5%. The mean weekly rent was \$180 compared to \$280 nationally.

Education

Residents aged 15 years and over hold slightly fewer qualifications (71%) than the rest of New Zealand as a whole (79%).

29% had no educational qualification, which is higher than the 21% recorded nationally. Notably, 21% held post-school certificates or diploma, slightly higher than for the rest of New Zealand (20%). 12% held a Bachelor degree or the equivalent compared to 20% nationally. A considerably higher proportion of our District's Maori population had no educational qualifications – 39% for Maori versus 29% for non-Maori.

Our environment

The landscape is relatively simple, consisting of coastal dune-lands, lowland marine terraces and young steeply dissected inland hill country with deeply incised rivers and narrow valleys.

The Whanganui River is at the heart of the District. It is the second largest river in the North Island, the longest navigable waterway in the country and covers 290km from the heights of Mt Tongariro to our coast with the Tasman Sea, with 239 listed rapids. The river is a taonga to local Iwi.

The coastal lowland areas are marine terraces separated by old sea cliffs, resulting from a series of uplifts. Rivers and streams have cut deep valleys into these surfaces. The Whanganui and Whangaehu Rivers and their main tributaries flow in a general southerly direction.

A belt of sand dunes lies along the coast. In places, fossil dunes extend up to 7km inland, overlying parts of the marine terraces and blocking streams to form a chain of small shallow lakes. Northwest of the city a 45 metre high cliff extends along the coast fronted by a wide sandy beach.

Coastal, terrace and river valley landscapes are largely rural in character, dominated by mainly pastoral farming. Further inland, especially to the northwest, there is a much greater proportion of scrub and forest cover. This indigenous vegetation cover has been retained due to the steepness and erodibility of the slopes in these areas.

Our Climate

We are noted for our temperate climate, with few extremes. Average rainfall is 882mm per annum, sunshine 2043 hours per annum, mean annual temperature is 14°C (January:18.2°C, July: 9.4°C), with seven frosts per annum, mean wind speed of 18km/h and three gale days per annum.

The Ministry for the Environment publication entitled “Climate Change and Long Term Council Community Planning” includes a number of predictions about New Zealand's future climate:

- Temperatures will rise on average by 1°C by 2040 and 2°C by 2090
- Rainfall will increase in western areas by up to 5% by 2040 and 10% by 2090. There will be increased seasonality in the rainfall distribution patterns
- Sea levels will rise
- Frosts will decrease
- There will be an increased frequency of high temperatures

Our District - statistical information

- There will be an increase in the frequency of extreme daily rainfalls
- Possible increase in strong winds
- Increases in the severity and frequency of extreme weather events.

In 2014 the agriculture and forestry sectors were responsible for 6.3% of employment, 8.3% of GDP and 18.1% of business units in the Wanganui District. (Analysis by Infometrics March 2014).

Our economy

Manufacturing was the largest industry in 2014, accounting for 11.1% of total GDP. Health Care and Social Assistance made the largest contribution to overall growth in Wanganui between 2013 and 2014.

Among broad industries, Health Care and Social Assistance was the largest employer in Wanganui in 2014, accounting for 15.6% of total employment.

The second largest employer was manufacturing (13.9%) followed by Retail Trade (10.8%).

A total of 4059 business units were recorded in Wanganui in 2014 up 1.7% from a year earlier. The number of business units in New Zealand increased by 2.3% over the same period. (Analysis by Infometrics March 2014).

Analysis of the five year age groups of the Wanganui District in 2013 compared to the New Zealand shows that there was a similar proportion of people in the younger age groups (under 15) and a higher proportion of people in the older age groups (65+).

Overall, 20.2% of the population was aged between 0 and 14, and 19.2% were aged 65 years and over, compared with 20.4% and 14.3% respectively for the New Zealand (id. Population Experts 2013 Census Data).

Rural sector

Wanganui's economy has an agricultural base, mainly sheep, beef and dairy, and has a strong primary processing sector. Wanganui's economic footprint extends well beyond our district boundary, with products and services flowing to and from Wanganui into neighbouring districts and townships.

Whanganui: Leading Edge



WHANGANUI LEADING EDGE STRATEGY

VISION STATEMENT: WHANGANUI LEADING EDGE

Deeply united
Globally connected
Powered by creative smarts
Flowing with richness
Works for everyone

We are confident leaders and influential trailblazers – operating comfortably on the cutting edge. We are a ‘bit different’, don’t follow the pack and are energised and dynamic. This sets the scene for the strategy and the types of innovative approaches that we will front-foot. It’s about Whanganui being seen as progressive and exciting – a magnetic place of abundance and diverse appeal.

STRATEGIC THEMES

COMMUNITY



Deeply united

We are a place resounding with community spirit, there is an intangible essence that underpins what it means to be from or in Whanganui. We support each other, work in partnership, are resilient and can handle challenges. We keep talking to each other and are pulling in the same direction. We know where we are heading but celebrate and champion diversity. Our roots run deep.

CONNECTIVITY



Globally connected

We are outward-looking, blast through parochialism and constantly look to expand and enhance our world view – positioning ourselves to best advantage regionally, nationally and internationally. We are connected in the widest sense – through our network infrastructure, digital capacity, expansive ideas and external relationships. We are accessible, linked in and known for it (no longer a ‘hidden gem’).

CREATIVITY



Powered by creative smarts

We are innovative, entrepreneurial, go-getters – we actively attract industry, support start-ups and are a lightning rod for ideas and creativity. There is a savviness to our approach and this propels us forward. Our arts community set us apart – giving us soul and heart. We are sharp economic operators and hum with cultural personality.

ENVIRONMENT



Flowing with richness

We draw strength from the river and this sustains and shapes us. This theme is about the look and feel of the place – a district with beautiful, integrated design, bountiful and valued natural resources and a sense of life and vitality. It feels positive here and there is a lot going on. Our wealth is abundant and we take a broad view of what this means. We play on our strengths and make our own opportunities – humpeting our unique identity through placemaking that flows from the mountain to the river to the coast. We are eco-rich, showcase and safeguard our heritage and always keep an eye on the future.

ECONOMY



Works for everyone

We have boundless opportunities and are truly a place of choice for all. There is a diversity to what we offer and people are able to make a conscious decision to come here or stay here. We are thriving and driving ourselves forward – loaded with jobs, development and lifestyle appeal meaning that anyone can and will want to call us home. We are welcoming, empowering and enabling – supporting everyone to flourish. There is no doubt that we are open for business.

Whanganui: Leading Edge

DEEPLY UNITED

Goal: Working in partnership – shaping a district that celebrates and champions its cultural and social diversity as well as its community spirit.

Strategic objectives:

- Strengthen partnerships and ways of working collaboratively to weave our aspirations together - while respectfully acknowledging differences.
- Meet our obligations arising from the Whanganui River settlement, support a Māori worldview and increase visibility of our Māori culture.
- Pursue initiatives that secure our health, our safety and instil a sense of belonging and wellbeing for all.
- Celebrate and champion the diversity in our district by educating, sharing and storytelling.
- Demonstrate strong, positive and empowering leadership to support unity and drive our district forward.

What will we do?

- Act as a partner in the development of a Whole of River Strategy.
- Partner with Iwi on specific projects for the benefit of the community.
- Commit to partnership approaches so that we can design initiatives and look for new opportunities together when delivering services to the community.

- Enhance our relationships through restorative practices and become a Restorative City.
- Focus on neighbourhood connectedness and revitalisation of our suburbs.
- Continue to achieve World Health Organisation Safe Community accreditation.
- Take the lead on health policy initiatives - supporting the welfare of our community and protecting our people from harm.
- Work with our distinct communities of interest to ensure everyone has a voice (e.g. young people, rural communities, older people and cultural communities).²
- Develop a Settlement Strategy and support other approaches which welcome new people to our district.
- Lead by example as a Council with a positive organisational culture and a dynamic, visionary and forward-looking leadership style.

How will we know when we get there?

We will report back regularly on whether we have achieved our stated actions but these measures will also help tell the story of our progress for a more complete picture.

- We will maintain World Health Organisation (WHO) accreditation as a safe city (*Receipt of international accreditation*)
- We will demonstrate restorative city principles (*Participation in the Restorative Cities programme*)

² This might be through the Youth Committee, School Leaders Network, Rural Community Board, Positive Ageing Forum, Multicultural Networks, the Festival of Cultures etc.

Whanganui: Leading Edge

- The percentage of people who indicate high levels of belonging and wellbeing will increase (*Community Views Survey*)
- We will improve our levels of collaboration – with a particular focus on the ‘triple helix’ model of education, business and local government (*Intelligent Community Forum success factor*)
- We will improve our performance on the Creative Cities Index in relation to ‘openness, tolerance, participation and accessibility’ (*Creative Cities Index assessment*)
- We will improve our performance on the Creative Cities Index in relation to ‘strategic leadership, agility and vision’ (*Creative Cities Index assessment*)
- We will become more culturally diverse (*Census results*)
- We will have more formal Iwi partnerships (*Council records*) and satisfaction with the Council-Iwi partnerships will increase (*Internally-delivered survey*)
- The community will be more satisfied with Council leadership (*Community Views Survey*)
- There will be greater levels of community pride (*Community Outcomes Survey*)
- Our district’s performance in relation to national health targets will improve (*Ministry of Health*)

GLOBALLY CONNECTED

Goal: A dynamic broadly connected district that is accessible, linked in and known for it.

Strategic objectives:

- Continue to build on the connectivity opportunities provided by UFB.

- Achieve greater accessibility to and within the district for all modes of transport including through making our district more walk and cycle friendly.
- Improve our image and enhance our reputation as a great place to come, stay and invest.
- Work together as a region to leverage more opportunities and bolster our pulling power.
- Test ourselves on the global stage through the attainment of international benchmarks.
- Commit to lifelong learning and continuous improvement.
- Support existing and seek out new international relationships – culturally and in the business world.
- Become positive ambassadors and self-promoters of our district and encourage those with a connection or interest in Whanganui to do the same.

What will we do?

- Support Visit Whanganui to implement and succeed with our Visitor Strategy.
- Deliver on a clear marketing, branding and promotion proposition – one that trumpets our points of difference and competitive advantages.
- Commit to reputation management initiatives.
- Construct the down river section of the Mountains to Sea Cycle Trail from Upokongaro.
- Lead digital innovation initiatives and promote Whanganui as a digital destination of choice outside the large urban centres.
- Enhance urban cycle and pathway connections through new projects which enhance our walk and cyclability.

Whanganui: Leading Edge

- Provide more bicycle parking as an alternative to car parking.³
- Upgrade and extend roading networks for enhanced accessibility at Mosston Road, Fitzherbert Avenue and Castlecliff.
- Adopt a regional strategy approach and look for shared service opportunities.
- Work with education providers on cradle-to-grave commitments through Education Whanganui.
- Pursue international accreditation benchmarks where possible.
- Tell the story of our broadband connectivity, showing our capacity to work globally from right here
- Maintain our Smart21 status and work to become the Intelligent Community of the Year.
- Make brave and savvy use of social media by embracing the opportunities here, being bold and making more of our information available online.
- Improve open space linkages and access to the beach.
- Develop identifiable products, people and proposals to get our district noticed in the right ways on the national and international stage.
- Leverage Sister City relationships to achieve cultural, educational and economic benefit and investment – including forging a relationship with a major New Zealand city.
- Deliver on our Digital Strategy.

How will we know when we get there?

³ This will be achieved through Plan Change 44 in the District Plan.

We will report back regularly on whether we have achieved our stated actions but these measures will also help tell the story of our progress for a more complete picture.

- We will achieve international benchmarks (*Receipt of international accreditation*)
- National perceptions of our district as a tourism destination will increase (*National Perceptions Survey*)
- We will keep and build on our Smart21 status (*International Intelligent Community Forum accreditation*)
- Visitor numbers to the district will increase (*Commercial Accommodation Monitor*)
- We will achieve the goal of our Digital Strategy and become 100% Connected (*Census results*)
- Satisfaction with roading and connectivity will increase (*Community Outcomes Survey*)
- More people will be using our walkways (*Community Views Survey*)
- We will have higher rates of tertiary qualifications (*Census results*)
- We will improve our performance on the Creative Cities Index in relation to ‘communication, connectivity and networking’ (*Creative Cities Index assessment*)

POWERED BY CREATIVE SMARTS

Goal: A knowledge economy driven by innovation and humming with cultural personality.

Wanganui: Leading Edge

Strategic objectives:

- Retain our historic and cultural heritage as a key point of difference.
- Facilitate the use of digital technologies and smart approaches to drive innovation and productivity.
- Sustain and nurture our arts reputation.
- Use our compactness, agility and pioneering attitude to our advantage by attracting niche manufacturing opportunities, microbusinesses, start-ups, creative industries and points of difference.
- Develop a dynamic knowledge economy and workforce.
- Become a district renowned for talent and creativity.

What will we do?

- Work towards creating a central city library and innovation quarter to provide a hothouse environment for start-up digital entrepreneurs.
- Give greater focus to digital technologies to grow business, investment and innovation.
- Adopt and implement a Creative Community Strategy.
- Get our district measured according to the Creative City index.
- Support the Sarjeant Gallery redevelopment project as a powerful arts anchor.
- Trumpet existing success stories and look for the next big thing.
- Attract tech businesses and entrepreneurs to our district in line with our Digital Strategy.
- Enter more awards to celebrate what we do and position ourselves as leading edge.

How will we know when we get there?

We will report back regularly on whether we have achieved our stated actions but these measures will also help tell the story of our progress for a more complete picture.

- We will improve our performance on the Creative Cities Index in relation to ‘entrepreneurship, exploration and innovation’ (*Creative Cities Index assessment*).
- The types of jobs we offer in our district will increasingly support a knowledge economy in line with Intelligent Community Forum award benchmarking measures (*Infometrics*).
- We will have implemented our Creative Community Strategy (*Council minutes*).
- We will improve our performance on the Creative Cities Index in relation to ‘talent and learning’ (*Creative Cities Index assessment*).
- We will be using technology and the internet in smart and creative ways to improve productivity (*Intelligent Community Forum awards application data*)

FLOWING WITH RICHNESS

Goal: A district that safeguards its natural resources and provides an environment with a sense of place, identity and vitality.

Strategic objectives:

- Capitalise and build on the value of our coastal location.
- Ensure our built environment reflects 21st century needs while protecting our distinctive heritage.

Wanganui: Leading Edge

- Pursue integrated and rejuvenated urban design, placemaking and landscape approaches.
- Safeguard the health of the Awa and let its richness shape us as a place.
- Connect our identity to authenticity, abundance and community pride.
- Maximise our rural assets.
- Act as a kaitiaki for the environment – preserving and conserving our natural resources by seeking sustainable and innovative green solutions.
- Generate a buzz through events and downtown vibrancy.
- Look after our infrastructural network and assets with a view to the future – making sure that we couple this to the sustainable use of technology and other materials.
- Continue to deliver a proactive, flexible and continually evolving District Plan – with the provision of appropriate zones and precincts.

What will we do?

- Partner with Iwi on achieving Te Awa Tupua aspirations.
- Revitalise and beautify the town centre.
- Pursue green tech approaches and take a responsible approach to the disposal of e-waste.
- Develop and implement a coastal plan.
- Respond positively and innovatively to earthquake-prone building issues.
- Support the successful achievement of the Whole of River Strategy.

- Promote integrated Awa-based recreational, lifestyle and creative opportunities through the Riverfront Development Plan.
- Rejuvenate Castlecliff and our coastal environment.
- Create community nodes and unique placemaking approaches to reflect the personalities of our suburbs and instil pride.
- Commit to the creation of quality urban design by formalising guidelines as a signatory to the urban design protocol.
- Enhance our responsibilities in relation to sustainable land use and pursue innovative partnerships to value resources and eliminate waste.
- Support, create and grow events – both iconic and off-peak – through our Events Strategy.
- Manage our assets, facilities and infrastructure responsibly and sustainably on behalf of the community.
- Continue the development of our public art and lighting.
- Build on opportunities already in existence at the river in relation to transport.
- Protect our soil conditions and rural assets and activities through the District Plan.

How will we know when we get there?

We will report back regularly on whether we have achieved our stated actions but these measures will also help tell the story of our progress for a more complete picture.

- We will meet environmental monitoring targets through the State of the Environment Report (*State of the Environment Report*)
- We will have implemented a Suburban Revitalisation Strategy (*Council minutes*)

Wanganui: Leading Edge

- There will be more people attending events and we will have more of them (*Event reports*)
- We will have achieved the targets in our Waste Management and Minimisation Plan (*Waste Working Party Reports*)
- We will improve our performance on the Creative Cities Index in relation to ‘distinctiveness, diversity, vitality and expression’ (*Creative Cities Index assessment*)
- We will improve our performance on the Creative Cities Index in relation to ‘the place and place making’ (*Creative Cities Index assessment*)
- We will achieve Enviro-Mark accreditation for our facilities where appropriate (*Receipt of Enviro-Mark accreditation*)
- We will meet Intelligent Community sustainability criteria (*Intelligent Community Forum awards programme*)

WORKS FOR EVERYONE

Goal: An easy-living place of choice of all – flourishing with employment and development opportunities.

Strategic objectives:

- Ensure our services and facilities reflect the diverse and changing needs of our community.
- Facilitate economic development initiatives in partnership with Iwi, the business community and the education sector.
- Invest in our young people and look to boost skills, training, employment opportunities and our knowledge workforce.
- Focus on efforts that will support population attraction and retention.
- Act as a facilitator and enabler for development.
- Support retention of key health and social infrastructure.

- Play on our lifestyle advantages.
- Ensure the quality and diversity of our education options and promote these widely.

What will we do?

- Deliver sport and recreation facilities to meet the needs of our community in line with our Sport and Recreation Strategy.
- Rejuvenate and increase economic activity at the Port in partnership with Iwi.
- Adopt and initiate a Business-Friendly Policy to ensure we are truly open for business and investment.
- Implement our Economic Development Strategy.
- Deliver economic development functions through Wanganui & Partners.
- Support the 100% SWEET initiative to assist Wanganui students into training and employment.
- Maximise our educational facilities and reputation and work with EWEN (Education Wanganui Export Network) to promote Wanganui as the district of choice for international students including through the publication of our education selling-points.
- Partner with social support and health agencies to secure a district that works for everyone.
- Maximise development and cluster opportunities in our industrial precinct.

How will we know when we get there?

We will report back regularly on whether we have achieved our stated actions but these measures will also help tell the story of our progress for a more complete picture.

Wanganui: Leading Edge

- There will be more jobs - including more jobs in ICT as measured by the Intelligent Community Forum benchmarking process (*Infometrics*)
- Our median income will increase (*Census results*)
- We will have more people in employment (*Ministry of Social Development*)
- Our GDP will grow (*Infometrics*)
- We will have more people in our district (*Census results*)
- We will have more people with NCEA Level 2 (*Ministry of Education*)
- We will perform well on the Affordability Index (*Affordability Index results*)
- More people will have a positive view of the lifestyle benefits in Wanganui – both internally and externally (*Community Views Survey and the National Perceptions Survey*)
- Our residents' satisfaction in relation to their standard of living will improve (*Community Outcomes Survey*)
- We will meet the targets in our Economic Development Strategy (*Wanganui & Partners report*)
- Our schools will have more international students (*Ministry of Education*)
- We will improve our performance on the Creative Cities Index in relation to 'liveability and wellbeing' (*Creative Cities Index assessment*)
- There will be more tertiary and trade training opportunities in our district (*Tertiary Education Commission*)
- We will improve our performance on the Creative Cities Index in relation to 'professionalism and effectiveness' (*Creative Cities Index assessment*)

- We will have access to capital for business start-ups and expanding businesses, in line with Intelligent Community Forum benchmarking measures (*Wanganui and Partners report*)

Council's contribution to the Leading Edge Strategy and achievement of our vision

During consultation with our community in 2014 some clear themes emerged for the kind of place we should aim to become. We are well placed to build on our determination to be seen as innovative and creative, globally connected and powered by creative smarts across our arts, knowledge and business communities. We also need to continue to build partnerships with Iwi that will enable us to work together to look after the river and its catchment and share opportunities to grow and diversify our economy.

The key projects planned over the next 10 years will contribute towards our vision for the district. At the heart of this vision is a commitment to working together to ensure that our district truly works for everyone.

As a result, the 10-Year Plan contains a number of projects and initiatives that we think will move us towards becoming more Leading Edge while also delivering on our Community Outcome strands of being deeply united, globally connected, powered by creative smarts, flowing with richness and working for everyone.

Some projects and their relationship to our new vision

Community Outcomes	Project
DEEPLY UNITED	Iwi liaison

Whanganui: Leading Edge

	Partnership approach
GLOBALLY CONNECTED	Upokongaro shared pathway Reputation management project
POWERED BY CREATIVE SMARTS	Sarjeant Gallery Central City library and innovation hub proposal Digital innovation and leadership
FLOWING WITH RICHNESS	Castlecliff rejuvenation efforts Coastal plan Town centre revitalisation Earthquake strengthening
WORKS FOR EVERYONE	Business-friendly Council work Animal Welfare Centre Sports ground rationalisation Completion of wastewater / sewerage network separation Construction of new wastewater treatment plant

Purpose statement

We also have a new purpose statement. This communicates the Council's role as kaitiaki (guardian) and trumpets the Awa as our seed for settlement and the shaper of our existence. It also reflects the Council's interests in sustaining wellbeing through the performance of regulatory functions, highlights the 'big three' drawcards that will attract people to Whanganui (education, lifestyle, commerce) and encourages retention of our key points of difference. It applies a dual focus to the things we are good at and the things we can be good at. It is also concerned with what we are currently doing rather than where we want to be (which is the role of the vision statement).

PURPOSE STATEMENT

SUSTAINING *the safety and welfare of our community*

SUPPORTING *richness and opportunity through education, lifestyle and commerce*

PRESERVING *our exceptional heritage and infrastructure*

PROTECTING *our environment and awa*

Mission

To partner with the community to create a flourishing and leading edge district that truly works for everyone.

Council controlled organisations

Section 6 of the Local Government Act 2002 (the Act) defines a council controlled organisation (CCO) and Schedule 10 of the Act requires the following disclosures to be made in relation to each CCO.

Wanganui District Council Holdings Limited

Wanganui District Council Holdings Limited (WDCHL or the Company) was formed in March 2002 to provide a commercial overview of the Council's investment portfolio. The Company is 100% owned by Wanganui District Council (the Council). It owns 100% of the shares in Wanganui Gas Limited (WGL) which has two subsidiaries – GasNet Limited and Wanganui Gas No 1 Limited (formerly Energy Direct New Zealand Limited) and provides a monitoring service to Council for the following activities:

- Council's investment properties
- Wanganui District Councils' Forestry Joint Committee
- Wanganui Airport Joint Venture (WAJV)
- Wanganui Gas Limited
- Inland Port/Sea Port
- Wanganui Inc (WINC)
- Quarrying.

Key performance targets

WDCHL's intended performance targets for the planned period are:

- To break even
- To facilitate WGL to achieve the performance targets identified in its Statement of Intent.

Company objectives

The Board intends to operate as a successful business in relation to its investments and to the monitoring roles assigned to it under contract by the Council.

The Company aims to improve the long-term value and financial return that Council receives from its trading undertakings:

- Optimising financial and physical resources through close scrutiny of potential areas of inefficiency, waste or under-utilisation of capital.
- Providing prudent management of investments and timely, constructive professional advice regarding its position as shareholder in WGL, and any other subsidiary companies or undertakings.
- Meeting the expectations of Council for quality, competitively priced strategic planning advice on investments and trading undertakings.
- Reviewing and advising on the strategies and plans of any subsidiary company, business unit or asset as requested by Council.
- Being a good corporate citizen and exercising the appropriate level of social responsibility toward the community and the environment, consistent with the conduct of a sustainable and profitable business.

Nature and scope of activities to be undertaken by the Company

The Company's business will primarily be to hold shares in WGL and other subsidiaries or undertakings transferred to the Company, to provide strategic planning advice to Council when required and to undertake such other matters as shall be determined by the Board, in conjunction with the Council.

WGL and its two subsidiaries GasNet Limited and Wanganui Gas No 1 Limited are not CCOs according to section 6 of the Act as they are energy companies.

Council controlled organisations

Wanganui Airport Joint Venture (WAJV)

The Joint Venture Airport is a 50/50 joint venture between Wanganui District Council and the Crown. It has been operating the Wanganui Airport since the late 1950s. Part of the financial information is included within the main financial statements of the Council. Under the Act, WAJV is classified as a CCO.

WAJV objectives

WAJV's primary objectives are to:

- Provide high quality facilities and service commensurate with existing levels of aviation activity and in accordance with all the appropriate Acts, Regulations and Rules pertaining to airport and aviation operations in line with the size of Wanganui Airport.
- Operate the airport in a sound and business-like manner.
- Improve the long-term value and financial performance of the airport while improving the economic value of the airport to Wanganui.

Nature and scope of activities

- The airport provides takeoff, landing, ground handling and passenger terminal facilities for scheduled airline services.
- It also provides a base for commercial, training and recreational aviation activity.
- The ongoing development of aviation and associated services and infrastructure is subsequently intended to support activity, business and employment.

Key performance targets

The Board's forecast performance targets for the next three years are:

- Reduction of the current loss position to 'break even' or to a level acceptable to the partners in light of the CCO's economic value to Wanganui.
- Compliance with all aspects of Part 139 of the Civil Aviation Rules with a minimum of one requirement per inspection.
- Delivery of an activity plan and subsequent achievement of the individual targets outlined within that plan.

Council policies and objectives relating to CCOs

Council does not have any significant policies in regard to ownership and control of the organisations. Council has a policy on the appointment and remuneration of directors, which is available on request.

Contributions to decision-making processes by Maori

1. The Council will continue to operate the system of six-weekly meetings with both Te Runanga O TamaUpoko and Te Runanga O Tupoho. These provide a means for Tangata Whenua to influence Council decision-making. Both groups are committed to representing the views and issues of the wider Maori community.
2. Both of the mechanisms above are means of fostering the development of Maori capacity to contribute to decision-making. They are also available as required for the discussion and advancement of means of fostering this development.
3. The two systems of meetings will usually generate 16 meetings per year in total. Additional meetings will be held with particular groups as required to address specific issues which may arise.
4. The above meeting systems are the primary means of providing information to the Maori community. More information on how we engage can be found in our Significance and Engagement Policy on the Council website:
<http://www.wanganui.govt.nz/our-council/publications/policies/Documents/SignificanceandEngagementPolicy.pdf>
5. The Council and Nga Rauru Ki Tahī are in the process of developing a formal relationship, which may result in additional regular meetings.
6. The Council remains open to an approach for a formal relationship with Ngati Apa.
7. Council is engaged in the formulation of post-settlement arrangements for Te Awa Tupua, the Whanganui River Treaty Settlement. Preliminary discussions have been held with Nga Tangata Tiaki in this regard.
8. Council expects increased overall interaction with Iwi as a result of the settlement of both river and land treaty claims and has committed additional funds to provide for this.
9. Specifically, the Council is expecting additional governance and management responsibilities as a result of a 'whole of River catchment strategy' being developed for the Whanganui River.

Fees and charges

The following are fees and charges that require special consultation under section 150 of the Local Government Act 2002 and section 36 of the Resource Management Act 1991. These fees and charges are applicable from 1 July 2015. All amounts include GST unless otherwise stated.

Resource consents

Activity type	Fixed charge	Initial application fee
Simple land use consents	\$617.00	\$617.00
Non notified land use consents	Actual cost at hourly rate	\$1,000.00
Limited notified land use consents	Actual cost at hourly rate	\$1,560.00
Notified land use consents	Actual cost at hourly rate	\$2,470.00
Simple subdivision consents	\$900.00	\$900.00
Non notified subdivision consents (controlled activity)	Actual cost at hourly rate	\$1,200.00
Non notified subdivision consents (other than controlled activity)	Actual cost at hourly rate	\$1,400.00
Notified subdivision consents	Actual costs at hourly rate	\$2,700.00
Certificates of compliance and applications for ROW (s348)	Actual costs at hourly rate	\$420.00

Existing use certificates	Actual costs at hourly rate	\$715.00
Outline plan of works	Actual costs at hourly rate	
Waiver for requirement for outline plan of works	Actual costs at hourly rate	
Overseas investment certificate	Actual costs at hourly rate	
Hearings for resource consents	Actual costs at hourly rate plus disbursements	

Activity type	Fixed charge	Note/Initial application fee
Monitoring of non-notified and notified land use consents	Actual cost at hourly rate per consent for inspections plus cost of monitoring officer time spent on compliance including site visits	Please note that all land use consent initial application fees include 1 hour of officer time for monitoring
Variation to conditions (s127 and 221 – subdivision and land use)	Actual cost at hourly rate	Variation s127 and s221 \$700.00
s128 review if requested by the consent holder	Actual cost at hourly rate	

Fees and charges

Extensions of time (s125)	Actual cost at hourly rate	\$500.00
Relocated dwellings bond		Cash bond assessed at time of application plus \$90.00 administration fee
Cancellation of building line restrictions or adjustment of easements	Actual cost at hourly rate	
Subdivision certificates (s223, s224 and s226)	Actual cost at hourly rate including officer time spent on compliance including site visits	s223 only \$130.00 s224 only \$260.00 s223 and s224 jointly \$330.00

Notes

The fixed charges do not include other charges that may be imposed under the Resource Management Act 1991 or other legislation, such as:

- Additional charges;
- Bonds;
- Monitoring and supervision charges expressly provided for in a resource consent;

If at any time Council exceeds the statutory timeframes for processing a resource consent then Council will refund 1% of costs per day that the timeframe was exceeded as per the discount provisions of the Resource Management Act 1991.

If the fixed charges are not sufficient to meet the Council's actual and reasonable costs then additional charges may be payable in accordance with the attached schedule of additional charges.

The Council will finally fix its fees including:

- Charging the fixed charge or part thereof;
- Charging the fixed charge and additional charges under section 36(3) having regard to the following criteria in section 36(4).

Fees methodology:

Land use and subdivision consents have been based on an average cost of consents issued. Initial application fees have been set at 75% of the average fee and fixed charges at 100% of the average fee. Final charges will be charged at staff hourly rates, technical officer or consultant time and any standard fees applicable.

Simple consents apply to:

- Land use applications for breaches to the 10 metre setback or height recession plane rules, where no other breaches of the District Plan occur.
- Subdivision applications for boundary adjustments or cross lease to fee simple where no other breaches of the District Plan occur.

Monitoring and inspection charges are based on staff hourly rates to complete, with one hour of monitoring taken in at the initial application stage of land use consents.

SCHEDULE OF ADDITIONAL CHARGES

The following schedule of charges shall form the basis for calculating any additional charges under section 36(3) in the event that the fixed charges are not sufficient to cover the Councils actual and reasonable costs.

Fees and charges

Consultant Charges:

Consultants and solicitors' fees associated with all work types, including the processing of a consent or certificate (including specialist technical or legal advice where a consent involves creating legal instruments), shall be at cost plus disbursement.

Charges for hearings – hearings for all applications shall be at cost of officer's time per hour rates listed below.

Production of order papers shall be at cost plus disbursements.

Council officer hourly rates

The following hourly rates for Council officers and decision makers will be charged for the processing of consents, hearings etc that do not have a fixed charge or where the fixed charge is inadequate to cover the actual and reasonable costs of the Council.

Council officer	Rate per hour
Senior Resource Management Planner / Senior Policy Planner	\$150.00
Resource Management Planner / Policy Planner	\$130.00
Graduate Planner / Graduate Policy Planner	\$100.00
Commissioner	At cost plus disbursements
Statutory Management Committee Chair and Members	At cost plus disbursements
Administration	\$90.00
Technical Council officer	\$130.00

Policy / Planning fees and charges

Resource management planning services fees and charges listed below are imposed under the Resource Management Act 1991 to recover the cost to Council for processing applications to designate land and make privately initiated changes to the District Plan.

Section 36 of the Resource Management Act 1991 enables the Council to charge additional fees to recover actual and reasonable costs when the fixed fee is inadequate. Notices of requirement and private plan changes vary in degree of complexity and scope. This means that applications shall be charged at actual cost when reasonable. Consultants and solicitors fees associated with all work types are also included (see schedule of additional charges below). There may be times where Council refunds part of the fee at its discretion if the work required processing the application is minimal.

The initial application fees specified in the tables below are required up front and no action will be taken in accordance with s36(7) until paid. That does not mean that the Council is required to complete the activity upon payment of the deposit. The costs incurred will be monitored and additional amounts up to the total of the fixed charge may be required. Then additional charges may also be required before completion of the task if the fixed charges are inadequate to cover the Council's actual and reasonable costs.

Activity type	Fixed charge	Initial application fee
Notices of requirement	Actual cost at hourly rate	\$2,000.00

Fees and charges

Amendments to notices of requirement	Actual cost at hourly rate	\$1,000.00
Private plan change requests	Actual cost at hourly rate	\$5,000.00

Note

The fees and charges apply to applications:

- Relating to a notice of requirement or amendments to or cancellations of a notice of requirement pursuant to s168, s168A, s181, and s182 of the Resource Management Act 1991, but not applications subject to s170 or clause 4 of the First Schedule which shall be processed at no cost to the requiring authority;
- For private plan changes accepted pursuant to Clause 25(2)(b) of the First Schedule, but not private plan changes adopted pursuant to Clause 25(2)(a) of the First Schedule, unless a specific agreement for cost sharing is entered into by the person/s requesting the plan change and the Council.

Land information memorandum

Type	Amount
Residential/Rural	\$177.00
Commercial	Actual costs with an initial application fee of \$150.00
Urgent LIM (less than 75 hours)	Incurs an additional cost of \$177.00
LIM site inspections	
Residential	\$143.00

Type	Amount
Commercial/Rural	Actual costs with an initial application fee of \$65.00
Certificate of compliance for liquor licensed premises administration charge	\$120.00

Infrastructure

Urban and settlement infrastructure access fees	
Connection	Amount
Water (20mm nominal diameter MDPE)	\$1,200.00
Stormwater (to kerb)	\$900.00
Wastewater (100mm dia to limit of 20m)	\$3,700.00
Plumbing and drainage only building consent for stormwater separation	\$85.00

- The urban and settlement infrastructure access fees for wastewater as noted in the table above are only applicable for the first standard connection to an existing residential lot. Additional connections are at cost.
- All wastewater connections to newly created lots are at cost.
- The urban and settlement infrastructure access fees for stormwater as noted in the table above are only applicable for kerb connections. All other stormwater connections are at cost.
- The infrastructure access fees for non-residential connections will continue to be charged at cost.

Fees and charges

Rural infrastructure access fees - water		
Connection	Amount (ex GST)	Capital contribution (ex GST)
Fordell – residential	Actual cost	\$2200.00
Fordell – rural	Actual cost	\$77.00 per ha
Fordell – dairy	Actual cost	\$77.00 per ha
Maxwell – domestic	Actual cost	-
Maxwell – rural	Actual cost	-
Maxwell – dairy	Actual cost	-
Maxwell – horticulture	Actual cost	-
Westmere – domestic	Actual cost	-
Westmere – rural	Actual cost	-
Westmere – rural, calf rearing	Actual cost	-
Westmere – dairy	Actual cost	-
Westmere – horticulture	Actual cost	-

Rural infrastructure access fees - wastewater		
Connection	Amount (ex GST)	Capital contribution
Marybank	\$3000.00	Included
Mowhanau	\$3000.00	Included

Liquor licensing

The Liquor license fees are set by the Sale and Supply of Alcohol (Fees) Regulations 2013. You can find a complete list of all fees on our website: <http://www.wanganui.govt.nz/our-services/liquor-licensing/Pages/default.aspx>

Parking

Parking charges	Amount
Victoria Avenue parking	\$2.00 per hour
Long term parking	\$20.00 per week

All other meters are between \$0.50 and \$1.00 per hour.

Airport

Airport landing charges		
General aviation aircraft not using the terminal (deemed to be under 5001kg)		
Maximum certified take-off weight (MCTOW) kg	Daily minimum	Cash or quarterly prepay discount
0-600 and helicopters	\$5.75	\$5.00
601-1500	\$11.50	\$10.00
1501-3000	\$17.25	\$15.00
3001-4500	\$23.00	\$20.00
4501-5000	\$28.75	\$25.00

Fees and charges

- The above landing charges apply to each of the first three landings per aircraft on any one day..
- The fourth and any subsequent landing for each aircraft within the day will be charged at 50% of the above single landing charge.
- Transiting aircraft completing ‘Touch and Goes’ only will be considered as completing one landing on each occasion of joining the circuit.
- Helicopters operate free of charge from leased Wanganui Airport sites.*
- A \$10.00 administration charge applies to all invoices less than \$20.00 per month.

*Helicopters not broadcasting intentions to land on a leased site will be deemed to have landed on the airfield and will incur the standard landing fee.

A discount equivalent to GST will apply for the following:

- Cash on the day (honesty box or paid to the café).
- Pre-payment, quarterly in advance.
- Self-generated schedule of landing charges by high volume users.

Scheduled and chartered services

1. Aircraft larger than 5000kg will be considered to have used the sealed runway and terminal facilities.
2. The landing fee will include a terminal charge which may vary according to the aircraft seat configuration, but will assume a 70% load factor.

MCTOW (kg)	Landing charge per kg of MCTOW (ex GST)	Terminal charge per PAX assuming a 70% load factor (ex GST)	Total landing fee (ex GST)
5001-8000	\$0.00462	\$2.47	Sum of landing and terminal charges
8001-11000	\$0.00421	\$2.47	As above
11001-14000	\$0.00400	\$2.47	As above
14001-17000	\$0.00387	\$2.47	As above
17001-20000	\$0.00378	\$2.47	As above
Over 20000	\$0.00320	\$2.47	As above
Parking charge			
Secure parking charge	\$10.00 per 24 hour period		

Building consents

Council sets its building consent fees as actual and reasonable costs for the service. These are set by Council pursuant to s219 of the Building Act 2004 and s150 of the Local Government Act 2002.

There are two types of fees, which relate to the types of building project being undertaken:

- Fixed fees – these are for simple project types where the costs are easily identified before application.
- Estimated fees – based on anticipated costs for that building project type.

Fixed fees

Fees and charges

This fee covers all the costs payable for the building consent types listed below. The amount is fixed and no additional costs will be charged by the Council (except for additional time incurred for rural consents). Fixed fees are to be paid at the time of lodgement of the application.

Project	Type	Building consent fee
Signs	Temporary sign	\$50.00
PD only	Stormwater separation	\$105.00
1V	Vehicle crossings	\$90.00
2V	Valve vented cylinders	\$280.00
1H	Inbuilt solid fuel heaters	\$350.00
2H	Free standing solid fuel heaters	\$290.00
1AD	<ul style="list-style-type: none"> Demolition/Removal Swimming pools – plastic, ‘para’, blow-up, fibreglass, in-ground. Marquees 	\$200.00

Estimated building consent fees

These fees are **estimates only** and are documented to give applicants a guide. Fees charged will be those which are actual and reasonably incurred by Council in receiving, processing, issuing, inspecting and managing that building consent. The fees are made up of three parts:

- Administration fee – this part of the fee covers administration costs in receiving and vetting an application, Project information memorandum (PIM) costs, Code of compliance certificate issue and scanning/digital storage charges.

- Processing fee – this part of the fee covers officer time in compliance assessment of plans, data entry into Council’s system, correspondence with applicant, consent issue and charging of consent.
- Consent issue fee – this part of the fee covers officer time in completing inspections and recording of same plus BRANZ and Department of Building and Housing (DBH) levies payable for any work valued at \$20000 and over. The levy rate is: BRANZ – \$1.00 per \$1000; DBH – \$2.01 per \$1000.

Both the estimated administration fee and processing fee are payable upon application **as an application fee**. At consent issue time and uplift, the applicant will be asked to pay the balance of the costs that are deemed actual and reasonable.

Additional charges may be made in respect to a consent that incurs further costs such as extra inspections.

Fee estimates

Project	Type	Initial application fee	Consent issue fee
The application fee is payable at time of application this includes administration and processing costs.			
New residential dwellings			
3C	\$0 to \$100,000	\$800.00	At cost
4C	\$100,000 to \$200,000	\$1,125.00	At cost
5C	Above \$200,000	\$1,255.00	At cost
Residential additions, alterations and relocations			
1A	Ancillary Building Work (1 inspection)	\$260.00	At cost

Fees and charges

Project	Type	Initial application fee	Consent issue fee
2A	Minor Building Work (2 inspections)	\$410.00	At cost
2B	\$0 to \$20,000	\$475.00	\$59000
1C	\$20,000 to \$50,000	\$605.00	At cost
2C	Above \$50,000	\$800.00	At cost
Commercial buildings			
2BC	Minor building work up to \$20,000	\$475.00	At cost
1D	\$20,000 to \$50,000	\$540.00	At cost
2D	\$50,000 to \$100,000	\$735.00	At cost
3D/4D	\$100,000 to \$200,000	\$930.00	At cost
1E	\$200,000 to \$500,000	\$1,190.00	At cost
2E	\$500,000 to \$1M	\$1,255.00	At cost
3E	Over \$1M	\$2,165.00	At cost
Ancillary projects			
1S	Solar, hot water heating, minor plumbing and drainage	\$215.00	At cost
3A	Fire reinstatement	\$585.00	At cost
1F	Farm buildings	\$410.00	At cost
PIM	Project information memorandum	\$325.00	At cost

General charges

Independent Qualified Persons (IQP) registrations	\$143.00 plus \$20.00 per feature
Independent Qualified Persons (IQP) two yearly renewal	\$143.00
Certificate of Acceptance	\$260.00 administration fee plus actual costs
Certificate for Public Use	\$260.00 application fee plus actual costs
Unscheduled building, plumbing and drainage inspections. Such inspections will include but are not limited to:	\$143.00 per hour
<ul style="list-style-type: none"> Requested inspections of existing buildings Inspections of unauthorised work (plus a Certificate of Acceptance Fee of \$260) Reinspection of work subject to prior notification Inspection of work covered by Notice to Fix Building Warrant of Fitness inspection Inspections as per plans or description provided for Certificate of Public Use (CfPU) application (plus a Certificate of Public Use application fee of \$260) Application for extension of time to enable issue of Code Compliance Certificate (site 	\$40.00

Fees and charges

inspection incurs an additional cost)	
Compliance schedule – issue fee	\$143.00 and \$20 per feature
Compliance schedule – alteration or amendment fee	\$130.00
Building Warrant of Fitness annual fee	\$143.00
Compliance audits	\$143.00/hour
Engineering assessment - The building consent fee does not include the cost of any structural assessment which may be required. This will be on-charged at cost.	At cost
Building consent accreditation fee:	
• Residential	\$1 per \$1,000.00 of value (capped at \$200.00)
• Commercial	\$1 per \$1,000.00 of value (Capped at \$500.00)
Plan searches (includes photocopying up to a maximum of two A3 or five A4 sheets)	\$10.00
Rural rapid numbers:	
New	\$40.00
Replacement	\$20.00
Large plan photocopying:	
A2	\$4.00
A0-A1	\$6.00
Electronic copies of building pack information:	
USB/CD – Scanned property (up to 24 hours to provide information)	\$30.00
USB/CD – Unscanned property – small, residential*	\$150.00
	Quote on request

USB/CD – Unscanned property – large, residential, commercial, other*	
*time frames to be confirmed due to availability	
CBD pedestrian count data	\$15.00
Microfiche – site dimension	\$5.00
Aerial photographs	\$5.00
Monthly building statistics	\$120.00 per annum
Copy of Certificate of Title	\$10.00

Development contributions

We have adopted a new policy of collecting no development contributions from 1 July 2015. Instead we will use a range of tools such as infrastructure access fees, targeted rates and private developer agreements to reflect the true cost of providing network infrastructure for growth in the district. A copy of our Development Contributions Policy can be found on the Council website under publications: www.wanganui.govt.nz

Health registration

Health registration fees
Inspection charge out fees are \$120.50 per hour (or part thereof) for the following services:
<ul style="list-style-type: none"> • Food premises • Hairdressers • Offensive trades • Hawkers • Mobile shops

Fees and charges

- Camping grounds
- Funeral directors

Registration fees are a flat fee of \$120.50 per year except for the following:

Mobile shop \$149.50

Market food stall \$149.50

Hawkers / food stall \$29.90

Fee for return of seized noise equipment \$160.00

Dog control

Activity type	Non-working dogs	Cost (including GST)
Full fee	Before any rebates for first three dogs	\$110.00
Prompt payment rebate	Registration paid on or before 31 July	\$10.00
Neutered / spayed rebate	Vet certificate or receipt required as proof	\$25.00
Good dog rebate	No justified complaints over the last registration year	\$20.00
Multi-dog rebate	For the fourth and subsequent non-working dog with one owner	\$10.00

Activity type	Working dogs	Cost (including GST)
Full fee	Before any rebates for first three dogs	\$40.00
Prompt payment rebate	Registration paid on or before 31 July	\$10.00
Multi-working dog rebate	For the fourth and subsequent working	\$10.00
Activity type	Impounding fees	Cost (including GST)
First impounding	Registered dog	\$70.00
Second and subsequent impounding		\$150.00
Sustenance fee	After the first seven days a daily fee will be charged	\$15.00 per day
Activity type	Other fees	Cost (including GST)
Microchipping fee		\$20.00
Sale of dog fee	Plus any other relevant charges	\$30.00

Cemeteries

Fees and charges

Service	Day	Fee	Perpetual maintenance
Burials			
Adult interments including natural burials and RSA area	Weekday	\$746.00	
	Saturday morning	\$870.00	
Children (under 15 years)		\$0	
Stillborn		\$0	
Disinterment		\$994.50	
After hours and additional burial charges apply to:			
Burials at rural cemeteries – will incur travel costs	Current cost Subject to change	\$1.00 per Km	
Extra depth graves over 1.8 metres, as may be required for a double depth plot, incur an additional cost		\$119.00	
Funerals extending after 5.00pm weekdays or 1.00pm Saturday NB Usually requires 3 staff		\$42.25 per man hour	
Burial services held after 1.00pm Saturday		\$422.50	
Cremations			
Adults (includes plastic urn)	Weekday	\$651.50	
	Saturday morning	\$769.50	
Children (under 15 years)		\$0	

Stillborn		\$0	
Cremation of indigent person		\$118.50	
Medical referee's fee		\$57.50	
Burial of ashes		\$248.50	
After hours and additional cremation charges apply to:			
Funerals extending after 5.00pm weekdays or 1.00pm Saturday		\$42.25 per man hour	
Cremations held after 1.00pm Saturday		\$121.00	
Plot Purchase			
Burial plot -adult		\$994.00	\$249.00
Burial plot - stillborn with monument / children's)		\$497.00	\$124.50
Rose spaces, niches and cremation plots		\$497.00	\$124.50
Servicemen burial plot fee		\$0	
Servicemen cremation plot fee		\$0	
Other additional costs:			
Permit fees			
Permit fee for erecting monuments or headstones (includes RSA permits)		\$65.00	
Permits for Rose Gardens (head stones)		\$65.00	
Book of remembrance entry		\$112.00	
Use of chapel for services		\$65.00	
Genealogical research per hour (after first hour)		\$65.00	

Fees and charges

Niche wall/ Memorial wall		\$296.50	
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These prices do not include funeral directors costs.

As rates fund 25% cost of the cemetery, Council imposes a 25% surcharge on plot purchases, for people who have not been a resident in Wanganui at the time of death.

Prospective financial information

Assumptions

Capital expenditure - to improve the level of service

Capital expenditure - to replace existing assets

Funding impact statement

Prospective statement of comprehensive revenue and expense

Prospective statement of financial position

Prospective cash flow statement

Prospective statement of changes in net assets/equity

Prospective statement of reserve funds

Notes to the financial statements

Assumptions

Significant forecasting assumptions and risks

Schedule 10, section 17, of the Local Government Act 2002 (the Act) requires that Council identifies the significant forecasting assumptions (assumptions) and risks underlying the financial estimates in its 10-Year Plan. Where there is a high level of uncertainty surrounding the assumptions, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects of the uncertainty on the financial estimates provided.

Council has made a number of assumptions in preparing this 10-Year Plan 2015-2025. These assumptions are necessary as the planning term

covers 10 years and the assumptions ensure that all estimates and forecasts are made on the same basis.

The prospective financial information contained in this 10-Year Plan 2015-2025 is underpinned by the assumptions that the Council reasonably expected to occur as at 30 June 2015. The assumptions are made on the basis that there is an average of 20,900 ratepayers in the district.

Actual results are likely to vary from the information presented and these variations may be material. This financial information should not be used for any other purpose.

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
<p>Population growth – The population of the district will remain relatively static during the period of the plan. The number of rateable properties is expected to increase due to residential subdivision and expanding commercial activities.</p> <p>Our Growth Strategy identifies that on average 70 new dwellings will be built each year for the 10 years of the plan. The average occupancy per household is estimated to reduce to 2.1 by 2026.</p>	That population growth is higher than projected.	Low	Low	<p>Population growth can be affected by a number of factors, including net migration, births, deaths and the trend for people to live in smaller family groupings.</p> <p>Significantly higher population growth could require the extension of infrastructure into increasingly difficult and costly subdivisions, with cost increases being funded out of debt.</p> <p>A decline in population could result in a reduction in the number of rateable properties and affect our ability to set rates at a level that is affordable to the community.</p>
	That population growth is lower than projected.	Medium	Low	
<p>Resource consents – Conditions of resource consents held by Council will not be altered significantly.</p>	Work is not performed in accordance with the conditions of the consent.	Medium	Medium	<p>Breaches of resource consent conditions may result in increased costs and/or legal action taken against Council; however, the specific extent of any breaches or legal actions cannot be accurately quantified prior to their occurrence.</p>
	Conditions of Council held resource consents are reviewed and altered.	Low	Medium	
<p>Inflation – The financial information is based on the following adjustments for inflation. Council has used the BERL forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan. Where expenditure is</p>	That actual inflation will be significantly different from the assumed inflation.	Low (Years 1-3) Medium (Years 4-10)	Low (Years 1-3) Medium (Years 4-10)	<p>Inflation is affected by external economic factors.</p> <p>Council's costs and the income required to fund those costs will increase by Council's average rate of inflation.</p> <p>While individual cost indices will at times vary from what has been included in this plan, the Council has relied on</p>

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty																				
<p>subject to inflation, the following rates have been applied:</p> <table border="0"> <tr><td>2015/16</td><td>0%</td></tr> <tr><td>2016/17</td><td>2.5%</td></tr> <tr><td>2017/18</td><td>2.8%</td></tr> <tr><td>2018/19</td><td>2.5%</td></tr> <tr><td>2019/20</td><td>2.6%</td></tr> <tr><td>2020/21</td><td>2.8%</td></tr> <tr><td>2021/22</td><td>2.9%</td></tr> <tr><td>2022/23</td><td>3.0%</td></tr> <tr><td>2023/24</td><td>3.2%</td></tr> <tr><td>2024/25</td><td>3.3%</td></tr> </table>	2015/16	0%	2016/17	2.5%	2017/18	2.8%	2018/19	2.5%	2019/20	2.6%	2020/21	2.8%	2021/22	2.9%	2022/23	3.0%	2023/24	3.2%	2024/25	3.3%				<p>the Reserve Bank use of monetary controls to keep inflation within the 1 to 3% range.</p> <p>Where the actual inflation differs from the assumed inflation the cost of the activity will differ. Lower inflation may result in Council reducing the funding. Higher inflation may increase the funding.</p>
2015/16	0%																							
2016/17	2.5%																							
2017/18	2.8%																							
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2022/23	3.0%																							
2023/24	3.2%																							
2024/25	3.3%																							
<p>Interest – Interest paid on term debt is calculated at 6.0% per annum.</p>	<p>That interest rates will change from those used in the calculations over the 10-year period.</p>	Medium	Medium	<p>Interest rates on borrowed funds are largely influenced by factors external to the New Zealand economy.</p> <p>Council mitigates interest rate uncertainty through the use of interest rate swaps and other derivatives.</p> <p>Based on Council projected debt levels, interest costs will increase or decrease annually by \$840,000 in year one of the plan to \$890,000 in year 10 of the plan for every 1% movement in interest rates. A significant change in interest rates could affect the amount of funds available to Council.</p>																				
<p>Interest rate risk management – Council continues to manage interest rate risk with a neutral effect by effectively fixing a large portion of its debt portfolio.</p>	<p>Interest rates move in a downward direction with Council unable to take full advantage of this movement.</p>	Medium	Low	<p>The recent global financial crisis displayed the potential turbulence of the financial markets. Council's instruments are marked to market annually and a non-cash gain or loss is recorded in Council's Annual Report. As Council's policy is to effectively fix its interest rate on a large portion of its debt portfolio, a movement in interest rates would have a minimal impact in interest costs or savings.</p>																				

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
Raising debt – Council can raise debt at any time.	That Council cannot raise debt as and when required.	Medium	Medium	<p>Council funds debt from bank credit lines and from issuing local authority stock, either through private placement or through the New Zealand Local Government Funding Agency. Market conditions may impact on lenders' ability to continue to fund Council debt.</p> <p>New Zealand local authority stock market is dominated by a small number of significant purchasers. Overseas markets are prone to fluctuations in demand for investment in a given Country's securities. Market conditions may result in purchasers of local authority stock withdrawing from the market for a period. This means that in the short term Council may have to use cash reserves or investments in place of debt. In the medium term Council may have to delay/suspend current projects. In the long term additional funding sources would have to be found or the Council budget would have to be reduced to what could be funded from current revenues.</p> <p>The effect on projects would depend on the value involved and the extent to which Council could not fund from internal sources.</p>
New Zealand Transport Agency (NZTA) requirements and specifications for the grant of subsidised work will not alter, and that all work in the submitted programme to NZTA will be approved.	Changes in subsidy rate and in criteria for inclusion in subsidised works programme. Not all work in the programme submitted to NZTA will be approved resulting in that work not proceeding.	Medium	Medium	<p>NZTA funding priorities may change as a result of the Land Transport Management Act 2003 and its focus on delivering the key outcomes of integration, safety, sustainability and value for money. Variations in subsidy are possible through implementation of the New Zealand Transport Strategy and Government Policy Statement on NZTA funding.</p>

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty																				
<p>The NZTA subsidy Council has used in the 10-Year Plan is –</p> <ul style="list-style-type: none"> • 2015/16 64% • 2016/17 63% • 2017/18 62% • 2018/19 61% • 2019/20 60% • Thereafter 60% 				<p>A 1% decrease in subsidy will increase Council’s cost by \$86,000 to \$116,000 per year or \$4.11 to \$5.55 per ratepayer based on 20,900 ratepayers. Alternatively there may be a reduction in service.</p>																				
<p>Forecast return on investments – Council has forecast the following returns for significant investments (Council has assumed the forestry assets will not be sold during the term of this Plan).</p> <p><u>Forestry dividends</u></p> <table border="0"> <tr><td>2015/16</td><td>\$500,000</td></tr> <tr><td>2016/17</td><td>\$0</td></tr> <tr><td>2017/18</td><td>\$0</td></tr> <tr><td>2018/19</td><td>\$0</td></tr> <tr><td>2019/20</td><td>\$0</td></tr> <tr><td>2020/21</td><td>\$500,000</td></tr> <tr><td>2021/22</td><td>\$0</td></tr> <tr><td>2022/23</td><td>\$0</td></tr> <tr><td>2023/24</td><td>\$0</td></tr> <tr><td>2024/25</td><td>\$0</td></tr> </table>	2015/16	\$500,000	2016/17	\$0	2017/18	\$0	2018/19	\$0	2019/20	\$0	2020/21	\$500,000	2021/22	\$0	2022/23	\$0	2023/24	\$0	2024/25	\$0	<p>That Council will not achieve the forecast rates of return.</p> <p>The Council will sell the forestry assets.</p>	High	Medium	<p>The projected returns are based on a report prepared by Ian Moore, Forestry Consultant. The milling of timber is the dominant income earner for forestry and it is subject to commodity price exchange rate risks. Shipping rates and exchange rates affect prices for logs in international markets. Low log prices have delayed harvesting, consequently delaying the returns to Council.</p> <p>An exchange rate fluctuation will impact on the return the forestry venture will achieve. This in turn flows to the dividend available to Council.</p> <p>These dividends are projected in this Plan to repay debt. For every \$100,000 of debt repayment interest cost savings is \$6,000.</p> <p>After consulting the community the Council has decided to sell the forestry assets. Due to uncertainty of when a sale would proceed, or likely sale price, this plan has continued with the status quo. Should Council sell the forestry assets any proceeds from the sale are likely to be used to repay debt.</p>
2015/16	\$500,000																							
2016/17	\$0																							
2017/18	\$0																							
2018/19	\$0																							
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2023/24	\$0																							
2024/25	\$0																							

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
<p><u>Wanganui District Council Holdings Limited dividends</u></p> <p>Council is forecasting a \$800,000 dividend for each year of this Plan</p>	<p>That Council will not achieve the forecast rates of return.</p>	<p>Medium</p>	<p>Medium</p>	<p>Wanganui District Council Holdings Limited dividend is derived from Wanganui Gas Limited, which is subject to market fluctuations. The projected returns are based on information provided by the Chairman of Wanganui District Council Holdings Limited.</p> <p>These dividends will be split between debt repayment and rates. For every \$100,000 of debt repayment interest cost savings is \$6,000. For every \$100,000 of additional income gained or shortfall in proposed income, the impact on ratepayers is a \$4.78 gain or loss respectively based on 20,900 ratepayers.</p>
<p>Funding sources – Council has assumed it will receive certain levels of user charges and grants, in addition to loan funding, as sources of funds for future replacement of significant assets.</p>	<p>That some loan funding, user charges and grants may not be achievable.</p>	<p>Low</p>	<p>Low</p>	<p>Levels of charges and grants have been set at previously achieved levels. Some user charges and grants under budget will be likely to be offset by some user charges and grants over budget.</p> <p>User charges and grants have generally been increased by the assumed rate of inflation over the 10 year period of the plan.</p> <p>Some price increases may affect the demand for services and adversely impact on Council forecast user charge income.</p> <p>Council has secured loan facilities in addition to a strong credit rating from an international credit rating agency. It is unlikely that it will be unable to source loan funding for future replacement of significant assets.</p>
<p>Asset life – Useful life of assets is as recorded in asset management plans or based upon professional</p>	<p>That assets wear out earlier than estimated.</p>	<p>Low</p>	<p>Low</p>	<p>Asset life is based upon estimates of engineers and valuers.</p>

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty						
advice. Refer to Accounting Policies Depreciation note.				<p>Asset replacements - Capital projects could be brought forward in the event of early expiration of assets affecting interest costs and levels of debt. (Depreciation expense would also increase). The negative impacts would be at least partially offset by other assets lasting longer than estimated.</p> <p>Maintenance levels may have an impact on asset life. More regular maintenance may prolong the assets' life and conversely lower levels of maintenance or maintenance deferred may shorten or reduce the assets' life which will mean earlier replacement.</p> <p>Replacing assets earlier than necessary does not maximise the use of the asset and therefore costs more.</p>						
<p>Revaluation of non-current assets – From time to time we revalue our assets to understand how much they are worth. Through our planning, we make assumptions about how much we think the assets will be worth when they are revalued. Council has used the BERL forecasts of price level change adjustors for each year of the plan. The following rates have been applied to the appropriate asset types:</p> <table border="0"> <tr> <td>Year applied</td> <td>Water</td> </tr> <tr> <td>2016/17</td> <td>14.3%</td> </tr> <tr> <td>2019/20</td> <td>9.8%</td> </tr> </table>	Year applied	Water	2016/17	14.3%	2019/20	9.8%	Price level changes may not be in line with BERL forecasts resulting in a big difference between how much we thought the asset would be worth and how much it is actually worth.	Medium	Low	Revaluations are impacted by information available on asset conditions. As better information on asset condition is obtained revaluations may differ from those calculated in this Plan.
Year applied	Water									
2016/17	14.3%									
2019/20	9.8%									

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
<p>2022/23 11.4%</p> <p>Year applied Buildings</p> <p>2015/16 4.1%</p> <p>2018/19 7.7%</p> <p>2021/22 9.0%</p> <p>2024/25 10.2%</p> <p>Year applied Roading</p> <p>2016/17 3.0%</p> <p>2019/20 7.3%</p> <p>2022/23 8.7%</p> <p>Year applied Investment properties</p> <p>2015/16 2.2%</p> <p>2016/17 2.4%</p> <p>2017/18 2.5%</p> <p>2018/19 2.6%</p> <p>2019/20 2.8%</p> <p>2020/21 2.9%</p> <p>2021/22 3.0%</p> <p>2022/23 3.2%</p> <p>2023/24 3.3%</p> <p>2024/25 3.4%</p>				
<p>Depreciation on planned asset acquisitions – Asset condition is as per Council’s detailed asset register with the following average depreciation rates being used for planned asset acquisition:</p>	<p>Actual wear and tear of assets will not mirror current depreciation rates.</p>	<p>Low</p>	<p>Low</p>	<p>Council has an asset management planning and improvement programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices.</p>

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
Infrastructure Roothing network 1.-20% Wastewater/Stormwater systems 0.8-5% Water system 1-11.1% Airport runway 2% Buildings & improvements 2%-20% Other fixed assets 10%-33%				
Changes in society – Based on the projected demographic profile of the district this plan assumes: <ul style="list-style-type: none"> • an aging population, • an increase in ethnic diversity, although at a lower rate than the rest of New Zealand, • an increase in the Maori population, • the district’s ethnic make-up will remain predominantly European and Maori. 	The expected demographic changes do not transpire in the predicted areas, impacting on the provision of services for the area and the district as a whole.	Low	Low	The district’s projected demographic profile was taken into account in preparing the asset management plans, service plans and activity plans. A significant change in the projected profile could impact on the provision of age specific service delivery and infrastructure, which may become obsolete or underutilised sooner than anticipated. Population projections point to an increasing aging population (50+ years) and a decreasing younger population (0-39 years). However, there was a slight increase in the 20-29 years band in 2013. In 2006, half of the district’s population (51%) was under the 40 year age bracket. Projections for 2011 had indicated that over half the population (51.6%) would be aged over 40 but in the 2013 census this had dropped to 47%. In 2013 a quarter of our population (25%) was aged over 60 years.
Potential climate change impacts Wanganui can expect –	Climate change has no significant effect on the district.	Medium	Medium	Climate change may result in increased surface flooding, infrastructure disruption due to extreme events, greater risks to public safety and private property and impact on resources to manage events. Infrastructure damage may

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
<ul style="list-style-type: none"> Average temperatures to rise by 1°C by year 2040 and 2°C by year 2090. Wetter conditions with average precipitation up by 10% by year 2090 Between 50cm and 80cm sea level rise by 2090 <p>These physical effects have the ability to exacerbate or intensify events including storm events, natural hazards such as flooding and landslips, coastal erosion and inundation and droughts.</p>				affect the levels of maintenance in any one year or replacement timeframes may be varied as a result.
Carbon credits - that Council will not receive any carbon credits or pay any charges through the Emissions Trading Scheme.	Government changes to Emissions Trading Scheme rules.	High	Low	The National Government is currently reviewing the Emissions Trading Scheme providing uncertainty over its future, applicability and effect on Council. There are two main services that potentially trigger Emissions Trading – landfill gases and forestry. Council’s old landfill has insufficient gas emission to be of concern whilst Council’s forestry holding potentially triggers carbon credits or charges for Council. The quantum and eventuality of any credits or charges is dependent on current Government review.

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
Shared services – Council partners with other agencies to deliver services in a cost effective manner.	Partnerships do not deliver the desired outcomes.	Low	Low	External factors may impact on provider’s ability to deliver services at the expected level.
	The desired outcomes are delivered at an increased cost.	Low	Medium	There are existing agreements between Council and other agencies for the delivery of services. Non delivery could result in an increased cost to Council or an unexpected drop in service levels.
Central government – Council is unable to confidently predict any Government statutory or policy changes. Therefore this plan assumes Council is operating under the current regime of statutory and policy provision.	There are unexpected changes that alter the services provided by Council.	Medium/High	Low	Most changes to legislation are programmed and known about in advance. Any Government changes to legislation will result in appropriate Council response during future annual and long term planning. Only in extraordinary circumstances (such as public outcry over a particular incident) would unexpected changes to legislation be promoted. Central government is likely to share part of any cost associated with major legislative changes.
Earthquake strengthening of buildings – it is assumed a budget of \$13.5M over this 10-Year Plan will be sufficient for planned work on Council-owned buildings.	That the costs of earthquake strengthening Council-owned buildings within the next 10 years will exceed the \$13.5M to be raised and that the costs cannot be funded out of normal budgetary provisions.	Medium	Medium	Council continues to review the seismic strength of our buildings, with a program of works scheduled on a priority basis. As we obtain a better understanding of the physical seismic work required for each building we are able to place a greater level of confidence on the budget allocations. For the first few years of our 10 year plan we are able to place a reasonable level of confidence on our estimated seismic costs, with less accuracy able to apply to buildings scheduled to be upgraded in later years.
Insurance – it is assumed Council’s assets are adequately covered for loss.	That the insurance market continues to suffer as a result of recent natural disaster events and that the cost of insurance continues to rise.	Medium	Low	The effect of the Christchurch earthquake has seen substantial cost increases for insurance and issues with obtaining cover at all. Council continues to get insurance for significant assets, and will continue to self-insure lower value assets.

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty						
<p>Natural disasters – There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions, insurance contracts or central government relief.</p>	<p>That there will be natural disaster events requiring emergency work that cannot be funded out of normal budgetary provisions.</p>	Medium	High	<p>Although Council has faced natural disaster events in the past, and coped adequately, climate change predictions are that some events could become more frequent and more intense. The potential effect of a natural disaster on Council's financial position is dependent upon the scale, duration and location of the event. Central government assistance and insurance contracts would reduce some of the Council's financial risk. Emergency Management plans and legislation allow for Government assistance where communities are unable to cope with the emergency relief and recovery works.</p>						
<p>Sarjeant Gallery Redevelopment - It is assumed the following budgeted capital costs will be sufficient for Council to complete planned work on the Sarjeant Gallery:</p> <table border="0"> <tr> <td>2017/18</td> <td>\$2.5M</td> </tr> <tr> <td>2018/19</td> <td>\$24M</td> </tr> <tr> <td>2019/20</td> <td>\$5M</td> </tr> </table> <p>Funding for this project includes \$19M contributions from corporate and philanthropic organisations and individuals.</p>	2017/18	\$2.5M	2018/19	\$24M	2019/20	\$5M	<p>The costs of the redevelopment project will exceed \$34M.</p> <p>The financial targets for fundraising from external sources will not be met.</p>	Medium	High	<p>Although Council has undertaken extensive costing of this project there is still potential for costs to vary to that budgeted.</p> <p>Council has a team of committed volunteers and a proven professional fundraising organisation working towards meeting the required financial targets. However the risk remains that the financial targets for fundraising cannot be met which could result in either a redesign of the project, additional costs to Council, or the redevelopment project not proceeding</p>
2017/18	\$2.5M									
2018/19	\$24M									
2019/20	\$5M									
<p>Wastewater Treatment Plant - It is assumed that the project capital cost is \$41.2M (including inflation provision of \$2.1M and</p>	<p>The project capital cost varies from the \$41.2M expected.</p>	High	Medium	<p>Although Council has undertaken extensive costing of this project and has had its financial modelling externally reviewed, there is still potential for costs to vary to those budgeted. Time delays and inflation and exchange rate</p>						

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
construction contingencies of \$2.5M).	Operating cost forecasts are under or overstated.	Medium	Medium	variations could alter capital costs. The guaranteed maximum price contract for the construction of the plant has not yet been priced with the inclusion of the dryer and to reflect current market conditions. Variations in loads to the plant, assumed inputs (e.g. power and gas requirements) and input unit prices could alter operating cost estimates from those forecast. Every \$1M change in capital costs would affect the wastewater rate by \$5 per year. Every \$1M change in operating costs would affect the wastewater rate by \$60 per year.
The plant is constructed in 2016/17 and 2017/18 and is operational from 2018/19.	Construction timelines are not adhered to.	Low	High	Council has approved a resolution to commence construction, while the level of uncertainty is low, if for any reason the project is delayed then the cost to Council is likely to be high.
The plant will meet the conditions of the current outfall consent.	Design error	Low	Low	The plant has been designed to comply with the consent conditions and has been extensively peer reviewed.
Loans to fund the wastewater treatment plant project can be secured at 4.5% per year and are repaid over 25 years.	That interest rates will change from those used in the calculations	Medium	Medium	New borrowings can currently be obtained at lower rates than our historic debt and fixed long term, however interest rates could increase.
The current trade waste industries will continue to use the new plant.	A trade waste industry(s) may exit the scheme after the new plant is built.	Medium	Medium	A trade waste industry may exit the scheme due to macro-economic conditions or increased trade waste charges. Variable operating costs would decrease with the lower loads received at the plant. Municipal users may face higher charges than they would otherwise to cover the capital and fixed operating cost portions. The solids quantity may differ due to different loads received by the plant..

Assumptions

Forecasting assumptions	Risk	Level of uncertainty	Financial materiality	Reasons and financial effect of uncertainty
Approximately 4,000 tonnes of dried solids per year will be produced at the plant.	The amount of solids produced at the plant differs to the 4,000 tonnes per year expected.	Low	Low	The new dried solids from the new plant may differ from that expected and alter the capacity life of the settling pond. Disposing the solids to land instead of the settling pond would increase costs by \$100,000 per annum, or landfill would increase costs by \$600,000 per annum, these assumptions have however, been extensively peer reviewed. The dried solids may not be able to be spread to land due to lack of suitable sites, resource consent issues or contaminant levels in the solids (e.g. metal content). In this event the dried solids would need to be disposed to landfill, likely Hampton Downs in the Waikato. This would increase operating costs by \$600,000 per annum.
The dried solids are able to be disposed of to the onsite settling pond for the first three years of operation (2018/19 to 2020/21) and thereafter can be spread to local land.	The dried sludge capacity of the settling pond is under or overstated.	Low	Low	
Local land and required resource consents can be obtained for spreading the dried solids to land once the capacity of the onsite settling pond is exhausted (from approximately 2021/22).	That the dried solids are unable to be spread to land from 2021/22.	Medium	Medium	
Westbourne/Gonville Stormwater Project The cost of the improvements is estimated at \$6M. Construction will commence before June 2017 and is expected to span two financial years.	Cost variation Unexpected delays	Medium Low	Low Low	Costs may vary as more detailed design work is done with different options analysed. Commencement will start immediately post design, contractor availability. Not expected to be an issue.
Storm Funding Rate Whanganui District Council's share of the storm damage costs is \$3.5M.	That the cost of repairs exceeds initial estimates or that proceeds from insurance or government contributions are less than forecast	Medium	Low	An additional \$500,000 cost would add approximately \$6 per annum per property for 5 years

Capital expenditure - to improve the level of service

Water supply group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
New connections - Fordell	1	1	1	1	1	1	1	1	1	1
114 Portal St - 223 No 2 Line watermain	30	-	31	-	-	-	-	-	-	-
Fordell Reservoir	-	-	-	22	-	-	-	-	-	-
New connections - Westmere	3	3	3	3	3	3	4	4	4	4
Meters & backflows	20	20	21	22	23	23	23	24	25	26
New connections - City	50	52	53	54	55	57	58	60	63	65
City water pump stations	5	5	5	5	6	6	6	6	6	6
Westmere reservoirs	10	-	11	-	11	-	12	-	12	-
	119	81	125	107	99	90	104	95	111	102

Stormwater drainage group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
New connections	30	31	32	32	33	34	35	36	37	39
Integrated catchment management infrastructure	150	154	158	162	167	171	176	181	187	193
Heads Rd swale(West of Rogers St)	120	-	-	-	-	-	-	-	-	-
Hinau St stormwater upgrade	-	123	137	-	-	-	-	-	-	-
Heads Rd(East of Rogers St) berm storage areas	-	-	-	270	310	-	-	-	-	-
Springvale Park attenuation and daylighting	-	-	-	-	-	854	938	-	-	-
City wide stormwater hotspots	100	102	105	108	111	114	117	121	125	129
Separation completion	220	372	369	378	388	399	410	423	436	451
Westbourne/Gonville Stormwater	-	3,000	3,000	-	-	-	-	-	-	-
	620	3,782	3,801	950	1,009	1,572	1,676	761	785	811

Waterways and natural drainage group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Waterways and natural drainage - Infrastructure	25	26	26	27	28	28	29	30	31	32
Whanganui River erosion control	10	10	11	11	11	12	12	12	12	13
South Spit & South Mole management	50	51	53	54	55	57	-	33	1,084	-
	85	87	90	92	94	97	41	75	1,127	45

Capital expenditure - to improve the level of service

Sewerage and the treatment and disposal of sewage group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Connections	50	51	53	54	55	57	59	60	62	64
City wide pump station upgrades	145	149	153	157	-	-	-	-	-	-
Overflow manhole construction / alterations	100	-	-	-	-	-	-	-	-	-
Inflow & infiltration investigations	100	51	53	54	55	57	59	60	62	64
Pipe bridge backup plan	50	-	-	-	-	-	-	-	-	-
CCTV work	100	-	-	-	-	-	-	-	-	-
Network modelling	100	-	-	-	-	-	-	-	-	-
Interceptor capacity study	-	-	105	-	-	-	-	-	-	-
CCTV of critical assets	-	-	53	54	56	57	59	61	63	65
Beach Rd pump station pump sizing and operation study	100	-	-	-	-	-	-	-	-	-
Generator refurbishment	150	-	-	-	-	-	-	-	-	-
Replace small pump station control units	-	-	-	-	-	-	351	-	-	-
Wastewater Treatment Plant - contract management and supervision	150	51	53	-	-	-	-	-	-	-
Treatment plant upgrade works - Construction	-	16,000	25,190	-	-	-	-	-	-	-
Trade waste costs for Second tier	50	-	-	-	-	-	-	-	-	-
Second Tier water take metering	-	256	-	-	-	-	-	-	-	-
WWTP Alternative options	300	308	-	-	-	-	-	-	-	-
Temporary consent	100	-	-	-	-	-	-	-	-	-
Trade waste consulting	150	154	-	-	-	-	-	-	-	-
Cost allocation model	-	102	-	-	-	-	-	-	-	-
Mass balance model	50	-	-	-	-	-	-	-	-	-
	1,695	17,122	25,659	319	167	171	527	182	187	194

Capital expenditure - to improve the level of service

Provision of roads and footpaths group	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Minor safety projects	831	807	809	972	988	1,027	1,137	1,043	1,142	1,232
Fitzherbert Avenue	-	-	-	59	89	2,116	-	-	-	-
Dublin Street Bridge	-	-	-	-	-	-	-	-	-	126
Pathways Construction	1,428	1,012	1,199	461	485	510	102	-	-	-
Strategy Studies	20	49	98	53	54	56	57	59	61	63
Heads Road roundabout	-	-	-	1,404	-	-	-	-	-	-
Wakefield St Bridge	100	200	1,500	-	-	-	-	-	-	-
Matarawa Bridge	-	-	-	528	-	-	-	-	-	-
Armco Culverts	-	-	-	32	326	-	34	390	367	38
One network road classification	30	-	-	1,080	1,663	2,278	2,931	3,623	3,739	3,862
Kauarapaoa Road Bridge	-	-	-	-	54	56	378	-	-	-
Bridge Replacements	-	-	-	-	-	-	-	36	62	515
Wanganui Central Transport Hub	-	-	-	-	277	-	-	-	-	-
	2,409	2,068	3,606	4,589	3,936	6,043	4,639	5,151	5,371	5,836
Parks and recreation group	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Riverfront toilet	80	-	-	-	-	-	-	-	-	-
Upokongaro cycleway	260	307	316	540	-	-	-	-	-	-
Bason Botanic Gardens - sealing ring road	200	-	-	-	-	-	-	-	-	-
	540	307	316	540	-	-	-	-	-	-

Capital expenditure - to improve the level of service

Community and cultural group	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sculpture Wanganui	-	-	105	-	-	113	-	-	124	-
CCTV cameras	12	13	13	13	13	14	14	15	15	15
New Community Library	-	-	342	-	-	-	-	-	-	-
Library management system	-	175	-	-	-	-	199	-	-	-
Radio frequency ID (Library system)	-	123	-	-	-	-	-	-	-	-
Wanganui District Library - Office equipment	20	20	21	22	22	23	24	24	25	26
Wanganui District Library - Furniture and fittings	20	20	21	22	22	23	24	24	25	26
War Memorial Centre - Plant and equipment	22	-	-	-	33	-	-	-	-	-
Whanganui Regional Museum - heater	-	-	2	-	-	-	-	-	-	-
Royal Wanganui Opera House - fire exit (changing room)	-	-	16	-	-	-	-	-	-	-
Sarjeant Collection - Art work	20	20	21	22	22	23	23	24	25	26
Sarjeant redevelopment	-	-	1,580	23,760	4,434	-	-	-	-	-
Sarjeant Art Gallery - earthquake strengthening	-	-	1,054	2,159	1,109	-	-	-	-	-
	94	372	3,175	25,997	5,656	195	285	87	214	93

Community facilities and services group	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Cemetery design and extend	15	-	-	-	-	-	-	-	-	257
CBD maintenance - Buildings and improvements	30	-	263	108	222	-	-	-	125	-
Civil Defence IT Packs	23	-	-	-	-	-	-	-	-	-
Tsunami signage project	31	-	-	-	-	-	-	-	-	-
Animal welfare centre	-	154	316	-	-	-	-	-	-	-
	99	154	579	108	222	-	-	-	125	257

Capital expenditure - to improve the level of service

Transportation group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Durie Hill Elevator - drainage line	3	-	-	-	-	-	-	-	-	-
	3	-	-	-	-	-	-	-	-	-
Corporate group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Stained glass windows	10	10	11	11	11	11	12	12	12	13
Governance and democracy - Office equipment	5	5	5	5	6	6	6	6	6	6
Online elections	-	77	-	-	-	-	-	-	-	-
Property City Freehold - Buildings and improvements	-	232	-	259	145	292	-	-	-	-
Asset Management System	-	307	-	-	-	-	-	-	-	-
IT Projects	100	102	105	108	111	114	117	121	125	129
Relocation of WDC archives	-	102	263	-	-	-	-	-	-	-
Customer services - Furniture and fittings	-	-	21	-	-	-	-	-	-	-
Infrastructure administration - Office equipment	5	5	5	5	6	6	6	6	6	6
Infrastructure administration - Furniture and fittings	5	5	5	5	6	6	6	6	6	6
Asset Management - Computer equipment	-	-	5	-	-	6	-	-	6	-
	125	847	421	394	284	440	147	151	162	161

Capital expenditure - to replace existing assets

Water supply group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Fordell rural scheme - Infrastructure replacement	2	-	-	5	-	-	-	-	-	13
Meters & backflows	2	2	2	2	2	2	2	2	2	3
Bore Pump	-	-	-	-	-	-	-	-	-	15
Meters & backflows	-	-	-	-	6	-	-	-	-	6
Comms & Control Upgrade	2	-	-	3	-	-	-	-	-	-
Reservoir	-	-	-	-	-	-	-	-	19	-
Bore Pump	-	-	-	-	-	-	-	-	-	13
Meters & backflows	3	3	3	3	3	-	-	-	-	-
Connections	5	-	-	-	-	-	-	-	-	-
Mouse Trap Pumps	6	-	-	10	-	-	-	-	-	-
Blueskin Pumps	-	-	-	-	-	-	18	-	-	-
Tokomaru West Road Pipeline Upgrade 25 to 50mm	-	20	-	-	-	-	-	-	-	-
Tokomaru East Pipeline Upgrade 25 to 50mm	-	-	-	-	33	-	-	-	-	-
Mains	50	51	53	54	55	57	59	60	62	64
Meters & backflows	55	56	58	59	61	63	64	66	69	71
Valves & hydrants	55	56	58	59	61	63	64	66	69	71
Connections	240	246	253	259	266	273	281	290	299	309
Kawau Place - Kawau Junction to Gt North Road	-	51	-	54	-	-	-	-	-	-
Portal Street - Portal to Durie	-	-	-	-	-	-	94	-	-	-
PRV - Durie Vale Road	-	-	32	-	-	-	-	-	-	-
Roading coordinated projects	125	128	132	135	139	142	147	151	156	161
Koromiko Road Rider Main Replacement	-	-	-	54	-	-	-	-	-	-
Anzac Parade - Nixon to Nile	80	-	-	-	-	-	-	-	-	-
Anzac Parade - Nile to No 82 Anzac	-	82	-	-	-	-	-	-	-	-
Anzac Parade - 82 Anzac - Ikitara Rd	-	-	105	-	-	-	-	-	-	-
Erin Rd - Cameron Rd East. 900m	-	-	-	-	-	-	234	-	249	-
Cameron Rd East - Westmere Rd. 400m	-	-	-	-	222	-	-	-	-	-
Tayforth Rd - Belmont Golf course. 700m	-	307	-	-	-	-	-	-	-	-
Spiral Weilded Replacement	150	154	158	162	166	171	176	181	187	193
London St - (Vic Ave-Bell St)	-	61	-	-	-	-	-	-	-	-
Aramoho bore WTP	10	-	11	-	11	-	12	-	12	-
Westmere Reservoir No 1	-	3,126	3,213	-	-	-	-	-	-	-
Aramoho bore WTP	-	31	-	-	-	-	-	36	-	-
Kai Iwi No 1 bore	50	-	-	54	-	-	-	-	-	-
Electrical	-	51	-	-	-	57	-	-	62	-
Scada/Comms System	20	-	-	22	-	-	-	24	-	-
SH 3 - Symes Road to Hayes Gateway	200	-	-	-	-	-	234	-	-	-
SH3 - School House to Symes Road	-	-	211	-	222	-	-	-	-	-
Kai-iwi bore developments	-	1,537	-	-	-	-	1,758	-	-	-
Kai-iwi Bore Pumps	-	-	-	-	-	-	-	-	-	193
Slam shut valves - relocate and upgrade cables	-	-	-	-	-	-	-	-	62	-
Aramoho replace dielectrics	-	31	-	-	-	-	-	36	-	-
	1,055	5,996	4,288	936	1,247	828	3,144	914	1,249	1,112

Capital expenditure - to replace existing assets

Stormwater drainage group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Replace inlet structures	30	31	-	-	-	-	-	-	-	-
Network Replacements	290	297	306	313	321	330	340	350	361	373
	320	328	306	313	321	330	340	350	361	373
Sewerage and the treatment and disposal of sewage group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Wastewater General - Vehicle replacement	35	36	-	-	-	40	41	-	-	-
Wastewater - urban reticulation network	500	512	632	756	887	1,025	1,172	1,208	1,246	1,287
Replace pumps at small pump stations	20	20	21	22	22	23	23	24	25	26
Hydraulic gate replacement	-	307	-	-	-	-	-	-	-	-
Closing actuators for manifold valves	-	-	632	-	-	-	-	-	-	-
Pre-treatment area refurbishment	-	-	-	216	-	-	-	-	-	-
Flyght Pumps Major service	50	-	-	-	-	57	59	-	-	-
Repair syphon chamber	60	-	-	-	-	-	-	-	-	-
	665	876	1,285	994	909	1,145	1,295	1,232	1,271	1,313
Provision of roads and footpaths group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Footpaths and berms	317	329	343	357	372	388	406	424	445	466
Emergency management - first response	300	300	400	540	554	570	586	604	623	644
Flood damage repairs	400	500	500	540	554	570	586	604	623	644
Unsealed road metalling	457	477	482	526	545	566	588	612	638	666
Sealed road resurfacing	2,000	2,249	2,272	2,478	2,568	2,666	2,771	2,883	3,005	3,135
Drainage renewals	867	871	893	974	1,010	1,048	1,090	1,134	1,181	1,233
Pavement rehabilitation	840	703	745	1,394	968	2,047	2,902	1,839	2,785	2,247
Structures components replacements	252	192	355	583	1,421	765	858	280	389	981
Traffic services renewals	740	936	868	1,126	916	623	410	676	447	740
	6,173	6,557	6,858	8,518	8,909	9,243	10,198	9,056	10,137	10,756

Capital expenditure - to replace existing assets

Parks and recreation group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Parks general - Buildings and improvements replacement	99	70	58	19	14	64	16	8	38	23
Mowhanau Water Bore	10	-	13	-	-	-	-	-	-	-
North mole repairs	517	-	-	-	-	-	-	-	-	-
Wharf St Boat Ramp	267	-	-	-	-	-	-	-	-	-
Lundon Park - Playground Equipment	-	-	-	-	-	-	117	-	-	-
Parks general - Vehicle replacement	-	-	83	-	39	-	-	95	-	45
Bason Reserve	17	16	4	76	6	23	16	66	17	22
Bason House	-	-	26	-	-	-	-	-	-	-
Bason - Larsen House Reroof	-	-	-	-	50	-	-	-	-	-
Premier parks - Buildings and improvements replacement	30	10	11	11	11	11	12	12	12	13
Kowhai Park	2	51	-	57	-	123	-	60	25	90
Queens Park	8	2	-	-	-	-	3	-	29	10
120 GREAT NORTH RD	18	63	57	18	24	3	8	9	59	52
Moutoa Gardens	3	-	-	-	-	-	-	-	-	-
Castliff Domain Playground Equipment	-	-	-	-	-	-	-	181	-	-
Kowhai Park - Upgrade Fences	-	-	-	-	-	46	-	-	-	-
Street trees	75	77	79	81	83	85	88	91	93	97
Community projects team - Buildings and improvements replacement	8	-	-	-	-	-	-	-	-	-
Community projects team - Vehicle replacement	20	-	-	-	-	23	-	-	-	-
Litter patrol team - Buildings and improvements replacement	-	-	-	5	-	-	-	-	-	-
Sports grounds - Buildings and improvements replacement	-	110	-	-	-	5,000	-	-	-	-
Other Trusts	-	-	-	-	-	7	-	-	-	-
Victoria Park	5	19	-	15	29	-	-	-	-	-
Peat Park	6	61	-	-	-	-	-	-	-	-
Victoria Park	-	-	-	-	-	5	-	-	-	-
Wembley Park	-	-	13	-	-	-	7	-	-	-
KAITOKE RD/Lake Wiritoa	3	-	-	-	-	7	-	-	-	-
Splash Centre	-	-	196	29	6	-	5	-	-	-
Dosing Pump	3	-	-	-	-	-	-	-	-	-
Balance tank butterfly valve	-	2	-	-	-	-	-	-	-	-
Hydroslides pump	-	-	-	-	-	-	-	-	-	32
Water pump	-	-	-	-	-	-	-	-	-	6
Premia pumps x 4	4	-	-	-	-	-	-	-	-	5
Hydroslides make up tank	-	-	-	-	-	-	-	-	-	10
Equipment - Acquatic	4	7	-	-	12	4	9	-	-	14
Equipment - Audio	-	-	-	-	-	-	-	-	-	13
Flourescent Lights	-	-	-	-	-	-	-	-	-	21
Ledathene piping	10	-	-	11	-	-	12	-	-	13
WT - Tank	5	-	-	-	-	-	-	-	-	-
Services plumbing	-	15	-	-	-	-	-	-	-	-
Wanganui East	75	77	79	81	83	-	-	-	-	-
Womens Resource centre	-	-	-	-	-	4	-	-	-	-
Cooks Gardens (Balance)	30	15	16	5	-	27	69	21	19	-
77 ST HILL ST - Mens	-	-	-	-	-	-	7	-	-	-
Cooks Gardens - Bell Tower	-	4	-	-	-	-	-	-	-	2
Athletics track replacement	-	-	-	-	-	-	451	-	-	-
Sprint Track replace/upgrade	-	-	-	130	-	-	-	-	-	-
Pole vault track - replace/upgrade	-	-	-	32	-	-	-	-	-	-
Cooks Gardens (Balance)	-	-	84	-	-	-	-	-	-	-
	1,219	602	719	571	358	5,432	819	544	292	469

Capital expenditure - to replace existing assets

Community and cultural group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Graffiti Team - Plant and equipment replacement	-	3	-	-	-	-	-	-	-	-
Alexander Library	-	-	-	-	-	20	-	-	-	-
Alexander library - weatherproofing	80	-	-	-	-	-	-	-	-	-
Davis Library	-	-	-	10	-	14	-	-	-	-
Davis Library - Roof Replacement	-	-	79	-	-	-	-	-	-	-
Davis Library - Door Replacement	-	39	-	-	-	-	-	-	-	-
Davis Library - Upgrade Emergency Lighting	-	-	-	-	29	-	-	-	-	-
Davis Library - Gutter Replacement	-	-	39	-	-	-	-	11	-	-
Davis Library - Accessibility Upgrade	-	-	-	24	-	-	-	-	-	-
Davis Library - Fire Alarm Upgrade	-	-	-	-	23	-	-	-	-	-
Davis Library - Heating Replacement	-	-	-	83	-	-	-	-	-	-
Mobile Library	-	-	-	-	333	-	-	-	-	-
Library - Library stock replacement	320	328	337	346	355	364	375	386	399	412
War Memorial Centre - Buildings and improvements	7	-	4	4	-	11	29	-	-	-
War Memorial Centre	-	22	19	-	7	7	-	54	25	-
War Memorial Centre - new inverter	-	-	-	-	-	-	-	-	15	-
War Memorial Centre - re-clad walls	-	622	-	-	-	-	-	-	-	-
HVAC - Concert chambers/Pioneer room	-	154	-	-	-	-	-	-	-	-
War Memorial Centre - Furniture and fittings	-	-	2	3	10	-	-	-	21	-
Replace floor cleaner	-	-	-	-	-	-	-	-	-	13
War Memorial Centre - Furniture and fittings	-	-	13	11	-	14	-	92	-	-
Replace Portable Partitioning	20	-	21	22	-	-	-	-	-	-
Regional Museum	49	31	19	97	-	-	-	-	-	-
Museum - Replace Roof	100	-	-	-	-	-	-	-	-	-
Royal Wanganui Opera House - Buildings and improvements replacemen	-	-	-	97	-	-	-	-	-	-
Opera House	11	11	-	-	6	-	30	-	-	-
Upgrade HVAC System	-	410	-	-	-	-	-	-	-	-
Royal Wanganui Opera House - Furniture and fittings	140	-	-	-	-	-	-	-	-	-
Royal Wanganui Opera House - Plant and equipment	10	10	11	27	11	11	12	12	27	13
Sarjeant building and collection - Buildings and improvements	4	3	-	8	-	11	18	-	-	-
Earthquake Strengthening	200	205	211	216	222	228	234	242	249	257
Earthquake Strengthening - Womens Resource centre	-	-	-	-	55	-	-	-	-	-
Earthquake Strengthening - 7 Taupo Quay	-	-	-	108	-	-	-	-	-	-
Earthquake Strengthening - Airport and Residence	-	-	-	-	-	342	-	-	-	-
Earthquake Strengthening - Alexander Library	750	-	-	-	-	-	-	-	-	-
Earthquake Strengthening - Cooks Gardens (Balance)	-	-	-	-	83	-	-	181	-	-
Earthquake Strengthening - Council Chambers	-	-	126	-	-	-	-	-	-	-
Earthquake Strengthening - Durie Hill Elevator	-	-	-	-	55	-	-	-	-	-
Earthquake Strengthening - Kowhai Park	-	-	-	162	-	-	-	-	-	-
Earthquake Strengthening - Durie Hill tower	-	-	-	-	-	-	410	-	-	-
Earthquake Strengthening - War Memorial Centre	-	2,562	-	-	-	-	-	-	-	-
Earthquake Strengthening - Parks yard	-	-	-	-	-	-	-	-	-	129
Earthquake Strengthening - Regional Museum	-	769	-	-	-	-	-	-	-	-
Earthquake Strengthening - Peat Park	-	-	-	-	-	-	-	-	-	32
Earthquake Strengthening - 221 GUYTON ST	-	-	-	-	-	-	-	-	93	-
Earthquake Strengthening - 0 TANGI ST	-	-	-	-	-	-	-	-	62	-
Earthquake Strengthening - 120 GREAT NORTH RD	-	-	-	-	-	171	-	-	-	-
Earthquake Strengthening - RANGIORA ST	-	-	-	-	-	-	-	-	62	-
Earthquake Strengthening - 77 ST HILL ST - Mens	-	-	-	-	83	-	-	-	-	-
	1,690	5,170	880	1,217	1,271	1,192	1,110	978	955	856

Capital expenditure - to replace existing assets

Community facilities and services group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Cemeteries/Crem/Old Morgue/Lorce	3	4	-	3	-	-	-	-	-	-
1 PAPAITI RD	8	-	-	-	3	1	-	-	-	-
451-457 Somme Pde Cemet	-	-	5	-	-	-	-	-	-	-
Toilet Upgrade	-	6	-	-	-	-	-	-	-	-
Fencing	-	-	-	-	6	-	-	-	-	-
Sealing internal roads	17	12	27	-	8	-	-	10	-	-
Septic tank replacement- Crematorium	-	-	-	-	-	-	-	14	-	-
Upgrade Drains - Crematorium	8	-	-	-	-	-	-	14	-	-
Roof replacement Crematorium	-	23	-	-	-	-	-	-	-	-
Exterior cladding, roof, gutters	1	-	-	-	-	-	-	-	-	-
Cemetery - Joinery Replacements	-	13	-	-	-	-	-	-	-	-
Cemetery - Accessibility Upgrades	-	-	-	-	-	-	-	18	-	-
Crematorium - Cremator Upgrades/Replacement	-	-	-	-	-	-	-	-	-	129
Fencing	16	16	-	-	-	-	-	-	-	-
Reserves - City Freehold Land	-	-	1	-	-	8	-	-	-	-
Orient toilets - Accessibility upgrade	-	-	-	-	-	34	-	-	-	-
Womens Resource centre	2	1	-	-	-	-	-	-	-	-
8 Bryce Street	-	11	3	13	-	-	-	11	-	13
Duncan Pavilion	3	-	-	-	-	7	-	14	-	5
Observatory	-	9	-	6	-	-	-	-	-	-
24 Trafalgar Place	-	4	-	10	-	-	-	-	7	-
0 SHWAY 4	-	-	-	-	14	-	-	-	2	-
Accessibility Upgrade	-	-	-	-	-	-	-	22	-	-
Womens Resource centre Water Heating	-	-	-	-	-	-	-	-	6	-
Womens Resource centre Rewire	14	-	-	-	-	-	-	-	-	-
Observatory - Upgrade Drains	17	-	-	-	-	-	-	-	-	-
Womens Resource - Heating Upgrade	-	-	-	21	-	-	-	-	-	-
Castlecliff Town Hall - Roof Replacement	-	-	-	-	-	-	19	-	-	-
Arts Soccity - Accessibility Upgrade	-	-	-	21	-	-	-	-	-	-
Civil defence - Plant and equipment replacement	15	15	16	16	17	17	18	18	19	19
Civil defence - Vehicle replacement	-	-	-	58	30	-	-	-	67	35
Rural fire - Plant and equipment replacement	15	15	16	16	17	17	18	18	19	19
Rural fire - Vehicle replacement	-	154	211	-	-	-	-	-	-	-
Pensioner housing - Buildings and improvements replacement	65	72	79	86	94	103	111	121	125	129
Tawa St - Eugene Crotty	-	-	-	-	-	-	-	-	-	6
Building control - Vehicle replacement	-	19	60	27	-	-	22	69	31	-
Environmental Health - Vehicle replacement	-	19	-	54	-	-	22	-	62	-
Parking meter replacement	-	-	127	-	-	-	-	-	-	-
Animal Control - Vehicle replacement	-	51	-	-	-	40	59	-	-	-
	183	446	545	332	189	227	268	330	338	355

Capital expenditure - to replace existing assets

Transportation group	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Airport residence	-	5	-	-	-	-	13	-	-	-
Airport - Residence Re-Roof	-	7	-	-	-	-	-	-	-	-
Runway/Airfield	-	133	-	-	-	-	-	-	-	-
Airport Terminal	-	-	14	-	-	-	-	-	-	-
Airport carpark	-	-	-	-	-	14	-	-	-	-
Airport plumbing	-	36	-	-	-	-	-	-	-	-
Landini Tractor (Airport)	-	-	-	-	-	20	-	-	-	-
Airport - Vehicle replacement	-	-	-	38	-	-	-	-	44	-
Airport Cafeteria - Plant and equipment replacement	-	2	2	1	-	-	-	-	-	-
Durie Hill Elevator	3	3	6	-	-	-	-	-	-	-
	3	186	22	39	-	34	13	-	44	-

Investments group	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Harbour Endowment - Buildings and improvements replacement	-	38	-	-	-	31	-	1,820	208	-
301-303 Heads Rd	8	-	-	8	9	-	12	-	30	-
305-307 Heads Rd	8	-	-	-	-	23	-	-	-	-
309 Heads Rd	-	3	-	73	-	10	-	-	-	-
507 Heads Rd	-	-	53	-	-	-	-	-	-	-
8 - 10 Cooks St	19	-	-	-	-	3	-	-	-	-
Gas building	85	5	7	3	783	34	-	-	5	-
31 Taupo Quay	-	10	-	-	-	-	-	-	-	-
180 Ridgway St Depot	5	-	179	-	-	22	7	-	277	-
Parks yard	14	4	5	5	-	105	-	-	-	-
	138	60	243	89	791	229	19	1,820	520	-

Capital expenditure - to replace existing assets

Corporate group	Proposed Budget 2015/16 (\$000)	Proposed Budget 2016/17 (\$000)	Proposed Budget 2017/18 (\$000)	Proposed Budget 2018/19 (\$000)	Proposed Budget 2019/20 (\$000)	Proposed Budget 2020/21 (\$000)	Proposed Budget 2021/22 (\$000)	Proposed Budget 2022/23 (\$000)	Proposed Budget 2023/24 (\$000)	Proposed Budget 2024/25 (\$000)
Mayoral vehicle replacement	-	31	-	-	33	-	-	36	-	-
Property General - Vehicle replacement	62	-	26	32	39	71	-	30	37	45
Property City Freehold - Buildings and improvements replacement	-	-	-	79	-	-	-	-	-	-
125 Guyton St	-	-	-	-	-	14	32	-	-	-
274 RANGITATAU EAST RD	-	3	-	-	-	8	-	-	-	-
Council Chambers	15	17	37	4	25	112	23	181	50	-
Council Chambers - Replace boiler	-	102	-	-	-	-	-	-	-	-
Council Chambers - Rerwindow Building	-	-	-	-	-	-	-	-	872	-
Administration - Vehicle replacement	40	31	21	-	33	23	23	60	-	-
Administration - Furniture and fittings replacement	20	20	21	22	22	23	23	24	25	26
Information services - Computer equipment replacement	25	26	26	27	28	28	29	30	31	32
PCs	95	97	100	103	105	108	111	115	118	122
IT recabling	15	15	16	16	17	17	18	18	19	19
Wireless Broadband	10	10	11	11	11	11	12	12	12	13
Laptops	20	20	21	22	22	23	23	24	25	26
iPhones/iPad's	20	20	21	22	22	23	23	24	25	26
Monitors	10	10	11	11	11	11	12	12	12	13
Servers	25	26	26	27	28	28	29	30	31	32
IT Network	15	15	16	16	17	17	18	18	19	19
SAN	-	-	527	-	-	570	-	-	623	-
Infrastructure administration - Vehicle replacement	97	66	26	78	67	141	75	30	90	77
Infrastructure administration - Office equipment replacement	6	6	6	6	7	7	7	7	7	8
	475	517	912	475	487	1,235	460	653	1,998	458

Funding impact statement

Background

The rates requirement figures quoted in the sections below include GST at the current GST rate of 15%.

Definitions

Separately used and inhabited part of rating unit (SUIP)

The following definition will be applied to a Separately Used or Inhabited Part of a Rating Unit (SUIP): any part of the rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual use by persons for purposes of conducting a business.

Differential categories

Where councils propose to assess rates on a differential basis, they are limited to the list of matters specified in schedule 2 of the Local Government (Rating) Act 2002. Council is required to state which matters will be used for what purpose and the categories of any differentials.

The list of activities and the funding mechanisms used are included in the following table, along with some explanation of the terminology used. As part of the consideration process and to form a sound basis for establishing any differential rates, the Council considered how the rates funded activities should be apportioned to different rating groups. The Council uses three generic rating groups for consideration of allocation. Those groups are commercial, farming and residential. As the step

between residential and farming is so large the Council has determined that the transition is based on the size of the property and there is an even transition from full residential rate to farming. For the purposes of Council consideration, the residential group includes any property less than three hectares and the farming group any property not a commercial property greater than three hectares.

The allocation of services to groups is achieved using the Rating Information Database as at 30 June each rating year. The list of activities and the allocation basis used for each are included in the table below, along with the resulting percentage allocations for the 2015/16 rating year based on the Rating Information Database as at 30 June 2015. The percentages will have small movements year to year as the rating information database changes.

Notes for table:

CV2* means that the activity has been split in proportion to the capital values of the groups, with commercial properties being attributed 200% of their capital value. This loading for commercial properties has been made to reflect what Council believes to be a more equitable split for the activity. The loading applies to environmental related services and reflects the commercial gain that is obtained through inspection and certification for commercial premises.

CVU** means that the activity is attributed to commercial and residential properties only according to the proportion of capital value for the groups. These activities have been allocated in this manner because there is little or no benefit attributable to farming properties.

Activity	Allocation to groups			
	Basis	Commercial	Farming	Residential
Airport	Unit	8.4%	8.5%	83.1%
Animal control	CV2*	33.6%	17.2%	49.2%
Building control	CV2*	33.6%	17.2%	49.2%
Cemeteries	Unit	8.4%	8.5%	83.1%
Central Business District maintenance	Unit	8.4%	8.5%	83.1%

Funding impact statement

Community	Unit	8.4%	8.5%	83.1%
Community and operational property	Unit	8.4%	8.5%	83.1%
Community buildings	Unit	8.4%	8.5%	83.1%
Cooks Gardens	Unit	8.4%	8.5%	83.1%
Durie Hill elevator	Unit	8.4%	8.5%	83.1%
Economic development	Special	70.0%	6.0%	24.0%
Emergency management (Civil Defence)	Unit	8.4%	8.5%	83.1%
Emergency management (Rural Fire)	Special	10.0%	80.0%	10.0%
Environmental health	CV2*	33.6%	17.2%	49.2%
Environmental policy	CV2*	33.6%	17.2%	49.2%
Footpaths and berms	CVU**	25.4%	0.0%	74.6%
Governance	Unit	8.4%	8.5%	83.1%
Investments	Unit	8.4%	8.5%	83.1%
Library	Unit	8.4%	8.5%	83.1%
Parking services	Unit	8.4%	8.5%	83.1%
Parks and reserves	Unit	8.4%	8.5%	83.1%
Regional Museum	Unit	8.4%	8.5%	83.1%
Resource management	CV2*	33.6%	17.2%	49.2%

Roading	Special	36%	32%	32%
Royal Wanganui Opera House	Unit	8.4%	8.5%	83.1%
Sarjeant Gallery	Unit	8.4%	8.5%	83.1%
Swimming pools	Unit	8.4%	8.5%	83.1%
War Memorial Centre	Unit	8.4%	8.5%	83.1%
Waste minimisation	Special	20%	30%	50%
Waterways and natural drainage	CVU**	25.4%	0.0%	74.6%

Note:

- Pensioner housing and Sea Port have no rates input.
- Water supply, Stormwater and Wastewater are not differentiated into commercial, residential or farming groups. The rates for these activities are differentiated based on usage of the service to ensure equity and for efficient revenue collection.

The further information on differential categories adopted for the 2015/16 financial year can be found under each type of rate.

Uniform annual general charge – amount to be collected \$17,332,800

A Uniform annual general charge set under section 15 of the Local Government (Rating) Act 2002, on a fixed amount per Separately Used or Inhabited Part of a Rating Unit of \$800.00.

General rate – amount to be collected \$13,451,439

Funding impact statement

A differential general rate, set under section 13 and 14 of the Local Government (Rating) Act 2002, on the land value of each rating unit as follows:

	Cents in the dollar	Differential Ratio
Commercial		
Properties used for commercial or industrial purposes	1.5934	2.21
<i>Properties not used for commercial or industrial purposes that are:</i>		
Residential		
less than 0.5 hectares	0.7225	1.00
greater than or equal to 0.5 hectares but less than 1 hectare	0.6425	0.89
greater than or equal to 1 hectare but less than 2 hectares	0.5625	0.78
greater than or equal to 2 hectares but less than 3 hectares	0.4824	0.67
Farming		
greater than or equal to 3 hectares but less than 4 hectares	0.4024	0.56
greater than or equal to 4 hectares but less than 5 hectares	0.3224	0.45
greater than or equal to 5 hectares but less than 10 hectares	0.2424	0.34
greater than or equal to 10 hectares	0.1624	0.23

Differentials

Differentials based on use. The Council will differentiate the general rate based on use and area. The differential categories include:

A. Commercial or industrial properties means:

- All land used for any commercial or industrial purposes.
 - All land used by any government department or agency or local body agency.
 - All vacant land within the Wanganui District which is zoned for commercial or industrial purposes.
 - All land used for educational purposes not otherwise exempted by legislation. 'Commercial or industrial purposes' includes the sale of liquor, but excludes:
 - A home occupation as defined by the operative Wanganui District Plan; and
 - Farming or horticulture.
- B. Less than .5 hectares means – Any rating unit not included in A above with a land area of less than 5,000 square metres.
- C. Greater than or equal to 5,000 square metres but less than 1 hectare means – Any rating unit not included in A above with a land area of 5,000 square metres or more but less than 10,000 square metres.
- D. Greater than or equal to 1 hectares but less than 2 hectares means – Any rating unit not included in A above with a land area of 10,000 square metres or more but less than 20,000 square metres.
- E. Greater than or equal to 2 hectares but less than 3 hectares means – Any rating unit not included in A above with a land area of 20,000 square metres or more but less than 30,000 square metres.
- F. Greater than or equal to 3 hectares but less than 4 hectares – Any rating unit not included in A above with a land area of 30,000 square metres or more but less than 40,000 square metres.
- G. Greater than or equal to 4 hectares but less than 5 hectares – Any rating unit not included in A above with a land area of 40,000 square metres or more but less than 50,000 square metres.
- H. Greater than or equal to 5 hectares but less than 10 hectares – Any rating unit not included in A above with a land area of 50,000 square metres or more but less than 100,000 square metres.
- I. Greater than or equal to 10 hectares – Any rating unit not included in A above with a land area of 100,000 square metres or more.

Rating units that have more than one use (or where there is doubt about the primary use) will be placed in the category with the highest differential factor. The Council may consider rating such a property by apportioning the land value between the separate uses and rate each portion according to the appropriate category. Note that, subject to rights of objection to the rating information database set out in Section 29 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

Each activity funded by the General rate is apportioned between the Residential, Farming and Commercial categories as outlined in the differentials categories section. The rates attributed to the Commercial category are apportioned to commercial or industrial properties on land value. Rate attribute to the Residential category are apportioned to properties less than 3 hectares. Rate attribute to the Farming category are apportioned to properties greater than 3 hectares. The differential is calculated each year based on land values in each differential category and ensures 7 even steps between a farm of greater than 10 hectares and a residential property of less than 0.5 hectares.

Funding impact statement

Roads and footpaths rate – amount to be collected \$8,312,739

A differential targeted rate for roads and footpaths, set under section 16 of the Local Government (Rating) Act 2002, on the capital value of each rating unit as follows:

Residential	0.09346 cents per dollar of capital value on every rating unit in the 'Residential' category.
Farming	0.17633 cents per dollar of capital value on every rating unit in the 'Farming' category.
Commercial	0.24303 cents per dollar of capital value on every rating unit in the 'Commercial' category.

Differentials

Residential

All rating units not included within the 'Commercial' category where the land area is less than 30,000 square metres.

Farming

All rating units not included within the 'Commercial' category where the land area is 30,000 square metres or greater.

Commercial

- All land used for any commercial or industrial purposes.
- All land used by any government department or agency or local body agency.
- All vacant land within the Wanganui District which is zoned for commercial or industrial purposes.
- All land used for educational purposes not otherwise exempted by legislation.

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

- A home occupation as defined by the operative Wanganui District Plan; and
- Farming or horticulture.

Earthquake Strengthening and Building Replacement Rate – amount to be collected \$889,701

A differential targeted rate for earthquake strengthening works on Council-owned buildings set under section 16 of the Local

Government (Rating) Act 2002, as a fixed amount per separately used or inhabited part of a rating unit as follows:

Residential	\$41.00 per separately used or inhabited part of a rating unit in the 'Residential' category
Farming	\$41.00 per separately used or inhabited part of a rating unit in the 'Farming' category
Commercial	\$42.00 per separately used or inhabited part of a rating unit in the 'Commercial' category.

Differentials

Residential

All rating units not included within the 'Commercial' category where the land area is less than 30,000 square metres.

Farming

All rating units not included within the 'Commercial' category where the land area is 30,000 square metres or greater.

Commercial

- All land used for any commercial or industrial purposes.
- All land used by any government department or agency or local body agency.
- All vacant land within the Wanganui District which is zoned for commercial or industrial purposes.
- All land used for educational purposes not otherwise exempted by legislation.

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

- A home occupation as defined by the operative Wanganui District Plan; and
- Farming or horticulture.

Debt retirement rate – amount to be collected \$664,840

A differential targeted rate to retire debt attributable to the cost of the city stormwater disposal system or other infrastructure system as decided by the Council set under section 16 of the Local Government (Rating) Act 2002, on the basis of the capital value of each rating unit that has a connection or for which connection is available. This charge will be set on a differential basis based on the availability of the service. The categories are 'connected' and

Funding impact statement

‘serviceable’ and ‘other’. Rating units in the ‘other’ category are charged a fixed amount per separately used or inhabited part of a rating unit.

Connected	0.0187 cents in the dollar on capital value on every rating unit in the ‘connected’ category that is connected to the city stormwater disposal system.
Serviceable	0.0094 cents in the dollar on capital value on every rating unit in the ‘serviceable’ category that is not connected but is practicably able to be connected and within 30 metres of the city stormwater disposal system.
Other	\$20.00 per separately used or inhabited part of a rating unit that is not in the ‘connected’ or ‘serviceable’ category.

City water supply – amount to be collected \$6,175,448 including water by meter

A differential targeted rate for city water supply, set under section 16 and 19 of the Local Government (Rating) Act 2002, as follows:

Connected	\$233.30 per separately used or inhabited part of a rating unit that is connected to the city water system and is not metered.
Serviceable	\$116.65 per separately used or inhabited part of a rating unit that is not connected but is practicably able to be connected to the city water system.
Metered supply	\$233.30 for part of or the whole first 310 cubic metres consumed or supplied, and 75.26 cents per cubic metre for every cubic

	metre over the first 310 that is consumed or supplied.
Rural extraordinary	\$211.09 per separately used or inhabited part of a rating unit supplied, plus 68.08 cents per cubic metre for every cubic metre consumed or supplied in excess of the first 310 cubic metres.

Note that the Mowhanau, Putiki South and Airport water supplies are now included in the City water supply category.

City water firefighting – amount to be collected \$1,149,267

A targeted uniform rate for provision and maintenance of fire fighting on rating units within the city water supply area, set under section 16 of the Local Government (Rating) Act 2002, of 0.02734 cents per dollar of capital value on each rating unit. For firefighting, City water supply excludes the rural extraordinary and Mowhanau extraordinary differential categories. The city water supply is within the area of the urban boundary per the operative District Plan.

Maxwell water supply – amount to be collected \$95,305 including water by meter

A differential targeted rate to meet the costs of the Maxwell water supply, set under sections 16 and 19 of the Local Government (Rating) Act 2002, as follows:

Residential	\$345.00 per separately used or inhabited part of a rating unit in the ‘residential’ category connected to the Maxwell water system.
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Funding impact statement

Dairy	\$69.00 per hectare on every rating unit in the 'dairy' category connected to the Maxwell water system.
Rural	\$15.24 per hectare on every rating unit within the 'rural' category connected to the Maxwell water system.

Plus 63.25 cents per cubic metre of water supplied to every rating unit connected to the water system.

Westmere water supply – amount to be collected \$156,322 including water by meter

A targeted rate, set under sections 16 and 19 of the Local Government (Rating) Act 2002, to meet the cost of the Westmere water supply of 75.26 cents per cubic metre of water supplied to any rating unit connected to the Westmere water system. This rate will be subject to a minimum charge of \$233.30 per year.

Fordell water supply – amount to be collected \$48,570 including water by meter

A differential targeted rate to meet the costs of the Fordell water supply, set under sections 16 and 19 of the Local Government (Rating) Act 2002, as follows:

Residential	\$195.40 per separately used or inhabited part of a rating unit in the 'residential' category connected to the Fordell water system.
Rural	\$9.38 per hectare on every rating unit in the 'rural' category connected to the Fordell water system.

Dairy	\$35.55 per hectare on every rating unit in the 'dairy' category connected to the Fordell water system.
Other	78.15 cents per cubic metre supplied on every rating unit in the 'other' category connected to the water system.

Differentials

Differentials are based on the following categories:

Connected	Any rating unit with an ordinary connection being a connection equivalent to 20mm MDPE pipe to the relevant water supply.
Serviceable	Any rating unit within 100 metres of the appropriate water reticulation system but that does not have a connection to the system.
Metered supply	Any rating unit that is not 'rural extraordinary' and that has a connection greater than the equivalent of 20mm MDPE pipe to the applicable water supply.
Rural extraordinary	Any rating unit in the rural ward that is connected to the city water supply.
Other	In relation to the Fordell water supply means the Fordell Sale yards.
Dairy	Any rating unit primarily used as a dairy farm.
Rural	Any rating unit that is not primarily a residence or a dairy farm.

City wastewater – amount to be collected \$6,351,220

A differential targeted rate for the operations, maintenance and development of the city wastewater disposal system, set under section 16 of the Local Government (Rating) Act 2002, as follows:

Residential	\$331.05 per separately used or inhabited part of a rating unit that is in the 'Residential' category and is connected to the city wastewater disposal system
Non-residential single pan	\$331.05. per separately used or inhabited part of a rating unit that is in the 'Non-residential single pan' category and is connected to the city wastewater disposal system

Funding impact statement

Non-residential multi pan	\$165.53 per pan. that is in the “ Non-residential multi pan” category and is connected to the city wastewater disposal system
Not Connected	Nil dollars per separately used or inhabited part of a rating unit that Is in the “Not Connected” category

Differentials

Residential	All rating units where the land area is less than 30,000 square metres and the property is not used commercially ... Used <i>Commercial means</i> <ul style="list-style-type: none"> • All land used for any commercial or industrial purposes. • All land used by any government department or agency or local body agency. • All vacant land within the Wanganui District which is zoned for commercial or industrial purposes.
Non-residential single pan	Any rating unit that is not residential and has a single pan
Non-residential multi pans	Any rating unit that is not residential and has more than one pan.
Not connected	Any rating unit that is not connected to the city or any other waste water disposal system.

Trade wastes – amount to be collected \$2,300,000

A uniform targeted rate to meet the costs of the conveyance, treatment and disposal of large volume trade waste discharges through the city wastewater disposal system, set under section 16 of the Local Government (Rating) Act 2002, on the basis of the extent of the provision of the service. The rates will be based on a combination of the total effluent volume, the average and peak

quantity of biochemical oxygen demand (BOD) and the average quantity of suspended solids (SS) for properties that generate greater than 100 cubic metres (m³) of effluent volume on average per day. These will be calculated in accordance with the requirements of the Wanganui District Council Trade Wastes Bylaw 2008.

The rates are:

\$0.300	per m ³ of effluent volume discharged, plus
\$69.83	per kg/day (kilograms per day) annual average biochemical oxygen demand (BOD), plus
\$18.64	per kg/day peak biochemical oxygen demand (BOD) plus
\$66.22	per kg/day annual average suspended solids (SS)

Marybank wastewater – amount to be collected \$20,424

A differential targeted rate to meet the costs of the Marybank wastewater disposal system, set under section 16 of the Local Government (Rating) Act 2002, as follows:

Connected	\$378.22 per separately used or inhabited part of every rating unit in the ‘connected’ category that is connected to the Marybank wastewater disposal system.
Serviceable	\$189.11 per separately used or inhabited part of every rating unit in the ‘serviceable’ category that is not connected but is practicably able to be connected to the Marybank wastewater disposal system.

Funding impact statement

Mowhanau wastewater – amount to be collected \$28,288

A differential targeted rate to meet the costs of the Mowhanau wastewater disposal system, set under section 16 of the Local Government (Rating) Act 2002, as follows:

Connected	\$390.18 per separately used or inhabited part of every rating unit in the ‘connected’ category that is connected to the Mowhanau wastewater disposal system.
Serviceable	\$195.09 per separately used or inhabited part of every rating unit in the ‘serviceable’ category that is not connected but is practicably able to be connected to the Mowhanau wastewater disposal system.

Stormwater disposal – amount to be collected \$4,995,386

A differential targeted rate to meet the costs of the city stormwater disposal system, set under section 16 of the Local Government (Rating) Act 2002, on the basis of the capital value of each rating unit that has a connection or for which connection is available. This charge will be set on a differential basis based on the availability of the service. The categories are ‘connected’ and ‘serviceable’.

Connected	0.1566 cents in the dollar on capital value on every rating unit in the ‘connected’ category that is connected to the city stormwater disposal system.
Serviceable	0.0783 cents in the dollar on capital value on every rating unit in the ‘serviceable’ category that is not connected but is practicably able

to be connected and within 30 metres of the city stormwater disposal system.

Stormwater separation loans

A targeted rate to meet the repayment of advances made to assist with the costs of separation of stormwater and wastewater, set under section 16 of the Local Government (Rating) Act 2002.

Properties subject to this rate are those to which Council has made a stormwater separation loan. Stormwater separation loans have been made to assist property owners with the cost of separating wastewater and stormwater. Property owners can opt to have the loans over a period of two to five years with the first two years being interest free. The documentation for the advances records that the loans are secured as a rate. To formalise that process, the repayment is included in the rates setting process. The loans are on a differential basis according to the term selected by the ratepayer.

The rates are:

Loan over 2 years – a rate of 50 cents for each dollar originally advanced by the Council.

Loan over 3 years – a rate of 33.85 cents for each dollar originally advanced by the Council.

Loan over 4 years – a rate of 25.99 cents for each dollar originally advanced by the Council.

Loan over 5 years – a rate of 21.33 cents for each dollar originally advanced by the Council.

Central Business District (CBD) services – amount to be collected \$627,681

Funding impact statement

A differential targeted rate to meet the costs of CBD cleaning, maintenance and the Mainstreet Wanganui promotional levy, set under section 16 of the Local Government (Rating) Act 2002, on all commercial rating units in CBD A and CBD B as follows:

CBD A	0.4936 cents per dollar of capital value on every rating unit that is in the 'CBD A' category.
CBD B	0.1975 cents per dollar of capital value on every rating unit that is in the 'CBD B' category.

Plus \$363.90 per separately used or inhabited part of a rating unit for every rating unit that is in the 'CBD A' or 'CBD B' category.

Differentials

Council proposes to differentiate the CBD services rate based on use and where the land is situated:

CBD A	The commercial properties in Victoria Avenue from Taupo Quay to Ingestre Street, Guyton Street from St Hill Street to Wicksteed Street, Maria Place from St Hill Street to Watt Street, Ridgway Street from St Hill Street to Drews Avenue.
CBD B	All commercial properties inside the area bounded by St Hill Street, Ingestre Street, Wicksteed Street, Watt Street, Drews Avenue, Taupo Quay, which are not included as CBD A. In all cases the street refers to the street centre line.

Commercial:

- All land used for any commercial or industrial purposes.
- All land used by any government department or agency or local body agency.
- All vacant land within the Wanganui District which is zoned for commercial or industrial purposes.
- All land used for educational purposes not otherwise exempted by legislation.

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

- A home occupation as defined by the operative Wanganui District Plan; and
- Farming or horticulture.

Separate works rates

Targeted rates to finance the costs of capital development of the roading network in the areas defined below, set under section 16 of the Local Government (Rating) Act 2002.

Whangaehu Valley Road N ^o 1	Upper Whangaehu Road
Whangaehu Valley Road N ^o 2	Mangamahu Road and Creek Road

The following separate works rates will be assessed on the land value of each rateable property in the appropriate area. Total revenue is quoted in each case.

Whangaehu Valley Road N ^o 1	to collect \$11,837, a rate of 0.03590 cents per dollar of land value.
Whangaehu Valley Road N ^o 2	to collect \$9,558, a rate of 0.02456 cents per dollar of land value.

Currently Council collects special rates in the Whangaehu Valley Road area. While Council itself does not contribute to the roading improvements on these roads, Council does collect a special rate on behalf of the local ratepayers for roading improvements that meet New Zealand Transport Agency's funding Net Present Value criteria.

Storm Damage Rate – amount to be collected \$977,095 (Applies from 2016/17 for 5 years)

A differential targeted rate for reinstatement of storm damages occurring from the June 2015 weather event set under section 16 of the Local Government (Rating) Act 2002, as a fixed amount per separately used or inhabited part of a rating unit as follows:

Residential	\$44.70 per separately used or inhabited part of a rating unit in the 'Residential' category
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Funding impact statement

Farming	\$49.70 per separately used or inhabited part of a rating unit in the 'Farming' category
Commercial	\$44.70 per separately used or inhabited part of a rating unit in the 'Commercial' category.

Differentials

Residential

All rating units not included within the 'Commercial' category where the land area is less than 30,000 square metres.

Farming

All rating units not included within the 'Commercial' category where the land area is 30,000 square metres or greater.

Commercial

- All land used for any commercial or industrial purposes.
- All land used by any government department or agency or local body agency.
- All vacant land within the Whanganui District which is zoned for commercial or industrial purposes.
- All land used for educational purposes not otherwise exempted by legislation.

'Commercial or industrial purposes' includes the sale of liquor, but excludes:

- A home occupation as defined by the operative Whanganui District Plan; and
- Farming or horticulture.

Payment by instalment

Rates are payable in four equal instalments on the following due dates:

<i>Instalment</i>	<i>Due date</i>
Instalment 1	Wednesday, 26 August 2015
Instalment 2	Wednesday, 25 November 2015
Instalment 3	Wednesday, 24 February 2016
Instalment 4	Wednesday, 25 May 2016

Discount

A discount of 2.5% will be allowed on all net 2015/16 rates paid in full by the due date of the first instalment for 2015/16.

Additional charges (penalty)

An additional charge of 10% will be added to all instalments or part thereof remaining unpaid on the date that is seven (7) days after the due date as follows:

<i>Instalment</i>	<i>Date on which penalty will be added</i>
Instalment 1	Wednesday, 2 September 2015
Instalment 2	Wednesday, 2 December 2015
Instalment 3	Wednesday, 2 March 2016
Instalment 4	Wednesday, 1 June 2016

An additional charge of 10% will be added to all instalments of private wastewater separation loans remaining unpaid on the date that is seven (7) days after the due date.

Additional charges of 10% will be added to rates assessed [or private wastewater separation loan instalments due] for any previous financial year that remain unpaid on 4 August 2015 and 4 February 2016

Funding impact statement

The following table shows how a representative selection of properties will be affected by the 2015/16 rates outlined in this plan. This table is indicative only and the effect on individual properties will vary.

Capital value	Land value	2014/15 Rates	2015/16 Rates	Movement in rates
<i>Residential</i>				
\$86,000	\$51,000	\$1,892	\$1,953	3.2%
\$100,000	\$42,000	\$1,950	\$2,005	2.8%
\$91,000	\$22,000	\$1,801	\$1,834	1.8%
\$97,000	\$37,000	\$1,911	\$1,960	2.6%
\$116,000	\$24,000	\$1,887	\$1,922	1.9%
\$105,000	\$75,000	\$2,167	\$2,258	4.2%
\$131,000	\$24,000	\$1,930	\$1,967	1.9%
\$170,000	\$52,000	\$2,073	\$2,136	3.0%
\$185,000	\$111,000	\$2,465	\$2,593	5.2%
\$225,000	\$88,000	\$2,597	\$2,707	4.3%
\$290,000	\$85,000	\$2,768	\$2,878	4.0%
\$370,000	\$140,000	\$3,027	\$3,188	5.3%
\$445,000	\$120,000	\$3,434	\$3,590	4.5%
\$490,000	\$205,000	\$4,086	\$4,337	6.1%
<i>Farming</i>				
\$345,000	\$325,000	\$1,023	\$1,136	11.1%
\$395,000	\$385,000	\$1,449	\$1,630	12.4%
\$740,000	\$510,000	\$2,973	\$3,189	7.3%
\$1,950,000	\$1,900,000	\$6,711	\$7,385	10.0%
\$2,300,000	\$1,850,000	\$7,222	\$7,921	9.7%
\$4,780,000	\$4,180,000	\$16,233	\$17,780	9.5%
<i>Commercial</i>				
\$62,000	\$62,000	\$1,168	\$1,264	8.3%
\$137,000	\$43,000	\$2,623	\$2,702	3.0%
\$275,000	\$56,000	\$3,415	\$3,524	3.2%
\$360,000	\$95,000	\$4,350	\$4,525	4.0%
\$330,000	\$225,000	\$8,267	\$8,455	2.3%
\$610,000	\$310,000	\$8,552	\$9,064	6.0%
\$820,000	\$275,000	\$10,367	\$10,849	4.7%

Funding impact statement

Wanganui District Council: Funding impact statement for 2015-2025 (whole of council)

	Annual Plan										
	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	25,061	27,015	28,030	29,019	28,912	29,826	31,081	31,016	31,956	32,562	33,187
Targeted rates	27,634	27,628	29,566	30,979	36,977	38,352	40,239	41,534	42,006	43,299	44,284
Subsidies and grants for operating purposes	3,777	3,648	3,284	3,192	3,699	3,789	3,755	4,408	4,022	4,206	4,857
Fees and charges	7,189	6,979	7,088	7,247	7,281	7,496	7,784	7,998	8,218	8,528	8,852
Interest and dividends from investments	1,570	1,583	1,068	1,067	1,067	1,067	1,567	1,067	1,068	1,068	1,068
Local authorities fuel tax, fines, infringement fees and other receipts	2,156	2,401	2,526	2,589	2,672	2,867	2,867	2,946	3,165	3,154	3,266
Total operating funding (A)	67,387	69,254	71,562	74,093	80,608	83,397	87,293	88,970	90,435	92,817	95,514
Application of operating funding											
Payments to staff and suppliers	47,104	48,465	49,083	50,299	54,164	55,257	57,680	59,465	60,604	63,205	65,358
Finance costs	6,295	4,886	5,201	6,437	7,010	6,751	6,558	6,419	6,157	5,855	5,525
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total application of operating funding (B)	53,399	53,352	54,284	56,736	61,175	62,009	64,238	65,884	66,760	69,059	70,883
Surplus (deficit) of operating funding (A - B)	13,988	15,903	17,279	17,357	19,433	21,388	23,055	23,086	23,674	23,758	24,631
Sources of capital funding											
Subsidies and grants for capital expenditure	4,349	5,731	5,650	6,742	6,915	6,340	6,998	5,634	5,677	5,856	6,484
Development and financial contributions	132	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	13,681	(3,706)	22,829	28,230	(3,428)	(5,867)	(1,201)	(3,286)	(6,624)	(4,018)	(7,576)
Gross proceeds from asset sales	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	134	294	314	1,894	24,174	4,598	164	164	164	164	164
Total sources of capital funding (C)	18,297	2,319	28,793	36,866	27,661	5,071	5,961	2,512	(782)	2,003	(928)
Application of capital funding											
Capital expenditure											
-to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
-to improve the level of service	19,319	5,788	24,820	37,773	33,097	11,464	8,608	7,419	6,501	8,083	7,498
-to replace existing assets	12,473	11,922	20,739	16,058	13,484	14,482	19,895	17,666	15,878	17,164	15,692
Increase (decrease) in reserves	493	513	513	392	513	513	513	513	513	513	513
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding (D)	32,285	18,222	46,072	54,223	47,094	26,459	29,016	25,598	22,892	25,760	23,703
Surplus (deficit) of capital funding (C - D)	(13,988)	(15,903)	(17,279)	(17,357)	(19,433)	(21,388)	(23,055)	(23,086)	(23,674)	(23,758)	(24,631)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Prospective statement of comprehensive revenue and expense

	Annual Plan										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue											
Rates*	52,695	54,643	57,596	59,997	65,889	68,178	71,320	72,551	73,963	75,861	77,471
Subsidies and grants	8,126	9,380	8,935	9,934	10,614	10,129	10,753	10,042	9,699	10,062	11,342
Development and financial contributions	132	0	0	0	0	0	0	0	0	0	0
Fees and charges	7,189	6,979	7,088	7,247	7,281	7,496	7,784	7,998	8,218	8,528	8,852
Interest and dividends from investments	1,570	1,583	1,068	1,067	1,067	1,067	1,567	1,067	1,068	1,068	1,068
Other revenue	3,053	3,214	3,418	5,100	27,503	8,191	3,804	3,933	4,233	4,280	4,454
Total revenue	72,765	75,798	78,105	83,346	112,354	95,061	95,228	95,591	97,180	99,799	103,186
Expenditure											
Personnel costs	14,598	15,373	15,674	16,111	16,974	17,488	17,971	18,495	19,054	19,663	20,312
Finance costs	6,295	4,886	5,201	6,437	7,010	6,751	6,558	6,419	6,157	5,855	5,525
Depreciation and amortisation expense	15,423	18,354	18,658	20,404	21,835	22,576	24,409	24,799	25,064	27,138	27,333
Other expenses	32,506	33,092	33,409	34,188	37,190	37,770	39,709	40,970	41,550	43,542	45,046
Total expenditure	68,822	71,706	72,942	77,140	83,009	84,585	88,647	90,684	91,824	96,197	98,216
Surplus/(deficit)	3,943	4,092	5,163	6,206	29,345	10,476	6,581	4,907	5,356	3,602	4,971
<i>Surplus/(deficit) attributable to:</i>											
Wanganui District Council	3,943	4,092	5,163	6,206	29,345	10,476	6,581	4,907	5,356	3,602	4,971
Other comprehensive revenue and expense											
Gain on infrastructure revaluations	43,935	0	58,583	0	0	67,583	0	0	85,094	0	0
Gain on property revaluations	0	2,482	0	0	7,308	0	0	9,296	0	0	10,452
Total other comprehensive revenue and expense	43,935	2,482	58,583	0	7,308	67,583	0	9,296	85,094	0	10,452
Total comprehensive revenue and expense	47,878	6,575	63,745	6,206	36,653	78,059	6,581	14,203	90,450	3,602	15,423
<i>Total comprehensive revenue and expense attributable to:</i>											
Wanganui District Council	47,878	6,575	63,745	6,206	36,653	78,059	6,581	14,203	90,450	3,602	15,423

Prospective statement of financial position

	Annual Plan										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets											
Current assets											
Cash and cash equivalents	3,650	3,821	4,432	4,936	5,553	6,177	6,810	7,454	8,106	8,770	9,445
Receivables	7,224	7,383	7,567	7,778	7,973	8,183	8,409	8,654	8,916	9,201	9,505
Inventory	89	102	105	107	109	112	115	118	121	124	128
Non-current assets held for sale	616	531	531	531	531	531	531	531	531	531	531
<i>Total current assets</i>	11,579	11,836	12,634	13,352	14,166	15,003	15,865	16,756	17,673	18,626	19,608
Non-current assets											
Investment in Wanganui District Council Holdings Limited	7,108	7,846	7,846	7,846	7,846	7,846	7,846	7,846	7,846	7,846	7,846
Other financial assets	4,646	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450
<i>Total other financial assets</i>	11,753	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295
Property, plant and equipment	941,223	862,848	947,830	981,466	1,013,660	1,084,707	1,088,864	1,098,373	1,180,848	1,179,001	1,185,341
Forestry assets	4,279	4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712	4,712
Intangible assets	403	599	1,101	892	753	659	596	668	602	558	529
Investment property	24,639	24,280	24,858	25,475	26,132	26,858	27,631	28,454	29,358	30,320	31,344
<i>Total non-current assets</i>	982,298	904,735	990,796	1,024,840	1,057,552	1,129,231	1,134,098	1,144,503	1,227,816	1,226,887	1,234,221
Total assets	993,877	916,571	1,003,430	1,038,192	1,071,718	1,144,234	1,149,963	1,161,259	1,245,489	1,245,513	1,253,829
Liabilities											
Current liabilities											
Payables	8,000	10,038	10,277	10,551	10,804	11,077	11,370	11,688	12,027	12,397	12,791
Borrowings	1,122	16,000	21,000	25,000	26,000	26,000	16,000	26,000	16,000	16,000	16,000
Employee entitlements	2,000	1,963	2,006	2,055	2,100	2,148	2,201	2,257	2,318	2,384	2,454
<i>Total current liabilities</i>	11,122	28,002	33,283	37,606	38,904	39,225	29,571	39,945	30,345	30,781	31,245
Non-current liabilities											
Borrowings	104,884	63,814	80,143	104,373	99,945	94,078	102,877	89,591	92,967	88,950	81,374
Deferred tax liability	600	150	150	150	150	150	150	150	150	150	150
Derivative financial instruments	5,000	4,637	4,637	4,637	4,637	4,637	4,637	4,637	4,637	4,637	4,637
Employee entitlements	450	126	128	132	134	138	141	145	149	153	158
<i>Total non-current liabilities</i>	110,934	68,727	85,059	109,292	104,867	99,003	107,805	94,523	97,903	93,890	86,318
Total liabilities	122,056	96,729	118,342	146,898	143,771	138,228	137,376	134,468	128,249	124,671	117,564
Net assets (assets minus liabilities)	871,821	819,843	885,088	891,294	927,947	1,006,006	1,012,587	1,026,791	1,117,241	1,120,842	1,136,265
Equity											
Accumulated funds	530,944	533,979	540,129	545,943	574,775	584,738	590,806	595,200	600,043	603,131	607,589
Revaluation reserves	285,845	229,151	287,734	287,734	295,042	362,625	362,625	371,921	457,016	457,016	467,468
Restricted reserves	54,796	56,343	56,856	57,248	57,761	58,274	58,787	59,300	59,813	60,326	60,839
Other reserves	235	370	370	370	370	370	370	370	370	370	370
Total equity	871,821	819,843	885,088	891,294	927,947	1,006,006	1,012,587	1,026,791	1,117,241	1,120,842	1,136,265
Investments in CCOs and similar entities	7,621	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345	8,345

Prospective cash flow statement

	Annual Plan										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities											
Receipts from rates revenue	48,834	51,032	53,985	56,386	59,778	62,067	65,209	66,440	67,852	69,750	71,360
Subsidies and grants	8,126	9,510	9,085	10,084	20,864	10,129	10,753	10,042	9,699	10,062	11,342
Interest received	320	283	268	267	267	267	267	267	268	268	268
Dividends received	1,250	1,300	800	800	800	800	1,300	800	800	800	800
Receipts from other revenue	13,473	13,156	13,203	14,978	29,790	20,859	16,697	16,971	17,393	17,669	18,085
Payments to suppliers	(32,506)	(33,092)	(33,125)	(33,862)	(36,889)	(37,446)	(39,360)	(40,592)	(41,146)	(43,102)	(44,577)
Payments to employees	(14,598)	(15,373)	(15,674)	(16,111)	(16,974)	(17,488)	(17,971)	(18,495)	(19,054)	(19,663)	(20,312)
Interest paid	(6,295)	(4,886)	(5,201)	(6,437)	(7,010)	(6,751)	(6,558)	(6,419)	(6,157)	(5,855)	(5,525)
<i>Net cash flow from operating activities</i>	18,603	21,928	23,341	26,106	50,626	32,437	30,338	29,014	29,655	29,929	31,441
Cash flows from investing activities											
Purchase of property, plant and equipment	(31,682)	(17,609)	(44,794)	(53,731)	(46,481)	(25,846)	(28,403)	(24,815)	(22,279)	(25,147)	(23,090)
Purchase of intangible assets	(110)	(100)	(765)	(100)	(100)	(100)	(100)	(270)	(100)	(100)	(100)
<i>Net cash flow from investing activities</i>	(31,792)	(17,709)	(45,559)	(53,831)	(46,581)	(25,946)	(28,503)	(25,085)	(22,379)	(25,247)	(23,190)
Cash flows from financing activities											
Proceeds from borrowing	20,442	3,674	31,571	37,882	5,294	3,123	9,023	5,754	2,811	5,365	1,876
Repayment of borrowing	(6,761)	(7,381)	(8,743)	(9,653)	(8,722)	(8,990)	(10,224)	(9,039)	(9,435)	(9,382)	(9,452)
<i>Net cash flow from financing activities</i>	13,681	(3,706)	22,829	28,230	(3,428)	(5,867)	(1,201)	(3,286)	(6,624)	(4,018)	(7,576)
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	493	513	611	504	617	625	633	643	652	664	675
Cash, cash equivalents, and bank overdrafts at the beginning of the year	3,157	3,308	3,821	4,432	4,936	5,553	6,177	6,810	7,454	8,106	8,770
Cash, cash equivalents, and bank overdrafts at the end of the year	3,650	3,821	4,432	4,936	5,553	6,177	6,810	7,454	8,106	8,770	9,445

Prospective statement of changes in net assets/equity

	Annual Plan										
	2014/15	2015/16	2016/17*	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July*	823,943	813,268	821,343	885,088	891,294	927,947	1,006,006	1,012,587	1,026,791	1,117,241	1,120,842
Total comprehensive revenue and expense for the year	47,878	6,575	63,745	6,206	36,653	78,059	6,581	14,203	90,450	3,602	15,423
Balance at 30 June	871,821	819,843	885,088	891,294	927,947	1,006,006	1,012,587	1,026,791	1,117,241	1,120,842	1,136,265
Represented by:											
Retained earnings											
Balance at 1 July*	527,730	530,769	535,849	540,499	546,313	575,144	585,107	591,175	595,570	600,412	603,501
Transfers (to)/from restricted reserves	(493)	(513)	(513)	(392)	(513)	(513)	(513)	(513)	(513)	(513)	(513)
Surplus/(deficit) for the year	3,943	4,092	5,163	6,206	29,345	10,476	6,581	4,907	5,356	3,602	4,971
Balance at 30 June	531,180	534,349	540,499	546,313	575,144	585,107	591,175	595,570	600,412	603,501	607,959
Restricted reserves											
Balance at 1 July	54,303	55,830	56,343	56,856	57,248	57,761	58,274	58,787	59,300	59,813	60,326
Transfers (to)/from retained earnings	493	513	513	392	513	513	513	513	513	513	513
Balance at 30 June	54,796	56,343	56,856	57,248	57,761	58,274	58,787	59,300	59,813	60,326	60,839
Asset revaluation reserves											
Balance at 1 July	241,910	226,669	229,151	287,734	287,734	295,042	362,625	362,625	371,921	457,016	457,016
Revaluation gains/(losses)	43,935	2,482	58,583	-	7,308	67,583	-	9,296	85,094	-	10,452
Balance at 30 June	285,845	229,151	287,734	287,734	295,042	362,625	362,625	371,921	457,016	457,016	467,468
Total equity	871,821	819,843	885,088	891,294	927,947	1,006,006	1,012,587	1,026,791	1,117,241	1,120,842	1,136,265

Note: Closing equity as per the 2014/15 Annual Plan and opening equity for 2015/16 differ due to the timing of these relative forecasts and the impact of actual revaluation and financial movements that and financial movements that have occurred during 2013/14 and the financial year to date.

*Opening equity for 2016/17 has been restated to incorporate subsequent information.

Prospective statement of reserve funds

Restricted Reserves consists of:

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2015 \$000	Deposits 2015-2025 \$000	Withdrawals 2015-2025 \$000	Balance at 30 June 2025 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	1,704	3,700	0	5,404
City Endowment	Investments	To provide alternative income for funding of Council activities	20,270	1,500	(1,370)	20,400
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	25,088	300	0	25,388
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	324	92	(200)	216
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	3	1	0	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	11	3	0	14
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	17	5	0	22
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	23	6	0	29
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	697	623	(71)	1,249
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	64	17	0	81
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	537	144	0	681
Kowhai Park Improvements fund	Parks and recreation	To fund improvements to Kowhai Park	17	5	0	22
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	38	10	0	48
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	9	2	0	11
Vera Thrush Donation	Parks and recreation	To improve Virginia Lake access	18	5	0	23
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	8	2	0	10
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	97	26	0	123
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	65	17	0	82
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	11	3	0	14
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	5	2	0	7
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,124	0	0	6,124
Rural road special rate - Whangaehu No 1	Provision of roads and footpaths	Rural rates specifically collected for future works	125	34	0	159
Rural road special rate - Whangaehu No 2	Provision of roads and footpaths	Rural rates specifically collected for future works	95	25	0	120
Rural road special rate - River Road	Provision of roads and footpaths	Rural rates specifically collected for future works	141	38	0	179
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	179	48	0	227
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	35	10	0	45
Business Continuity Plan fund	Corporate	To fund standby generator	8	2	0	10
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	5	1	0	6
Tram Fund	Community & cultural	To fund the Tram project	9	2	0	11
Creative NZ Grant fund	Community & cultural	To fund local community-based arts activities	0	0	0	0
For Our Kids Grant fund	Community & cultural	To fund the For Our Kids Program	27	7	0	34
LI Smith Bequest	Community & cultural	To fund an arts award	76	20	0	96
			55,830	6,650	(1,641)	60,839

Notes to the financial statements

Note 1 - Reconciliation of Prospective statement of comprehensive revenue and expense to the Funding impact statement (FIS)

The Funding impact statements are prepared in accordance to with the Local Government (Financial Reporting and Prudence) Regulations 2014.

They do not comply with Generally accepted accounting practices (GAAP). However, the Statement of comprehensive revenue and expense is prepared in compliance with GAAP.

The following is a reconciliation between the revenue and expense shown on the statement of comprehensive revenue and expense and the funding impact statement for the whole of Council

	Annual Plan										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating funding in the FIS	67,387	69,254	71,562	74,093	80,608	83,397	87,293	88,970	90,435	92,817	95,514
Subsidies and grants for capital expenditure	4,349	5,731	5,650	6,742	6,915	6,340	6,998	5,634	5,677	5,856	6,484
Development and financial contributions	132	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	134	294	314	1,894	24,174	4,598	164	164	164	164	164
Net gain and losses not included in the FIS	763	518	578	616	657	726	773	823	904	962	1,024
Total Revenue in the Statement of Comprehensive revenue and expense	72,765	75,798	78,105	83,346	112,354	95,061	95,228	95,591	97,180	99,799	103,186
Application of operating funding in the FIS	53,399	53,352	54,284	56,736	61,175	62,009	64,238	65,884	66,760	69,059	70,883
Depreciation not included in the FIS	15,423	18,354	18,658	20,404	21,835	22,576	24,409	24,799	25,064	27,138	27,333
Total expenditure in the statement of revenue and expense	68,822	71,706	72,942	77,140	83,009	84,585	88,647	90,684	91,824	96,197	98,216
Note 2 - Depreciation and amortisation by group of activities											
Community and cultural	1,333	438	593	677	721	1,273	1,429	1,466	1,514	1,488	1,467
Community facilities and services	496	337	327	354	389	400	376	357	368	358	365
Corporate	1,292	367	428	564	651	637	631	743	711	691	783
Economic development	42	17	18	17	17	18	17	17	18	17	17
Waterways and natural drainage	99	45	47	55	57	58	65	66	67	75	91
Investments	67	179	159	141	133	133	140	138	144	170	174
Parks and recreation	935	558	604	605	637	680	672	762	813	815	796
Provision of roads and footpaths	5,566	8,921	8,888	9,129	9,137	9,206	9,933	10,015	10,087	11,023	11,068
Stormwater drainage	1,648	1,759	1,775	2,047	2,167	2,187	2,401	2,430	2,460	2,718	2,734
Transportation	117	72	70	80	79	86	85	92	90	89	92
Sewerage and the treatment and disposal of sewage	2,513	3,652	3,715	4,285	5,292	5,321	5,819	5,850	5,895	6,492	6,517
Water supply	1,315	2,007	2,035	2,450	2,556	2,579	2,842	2,862	2,898	3,201	3,229
Depreciation and amortisation expense	15,423	18,354	18,658	20,404	21,835	22,576	24,409	24,799	25,064	27,138	27,333

Notes to the financial statements

	Annual Plan										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Note 3 - Targeted rates for metered water supply											
Targeted rates for metered water supply	1,611	1,611	1,653	1,688	1,695	1,712	1,718	1,778	1,732	1,737	1,741

Note 4 - Rating base information

	Year (as at 30 June)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Projected number of rating units within the district	20,934	21,004	21,074	21,144	21,214	21,284	21,354	21,424	21,494	21,564

Long-term plan disclosure statement

Long-term plan disclosure statement for the period commencing 1 July 2015

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its planned rates income (excluding metered water, trade waste and penalties) equals or is less than each quantified limit on rates; and.
- its planned rates increases (excluding metered water, trade waste and penalties) equal or are less than each quantified limit on rates increases.

Rates (income) affordability

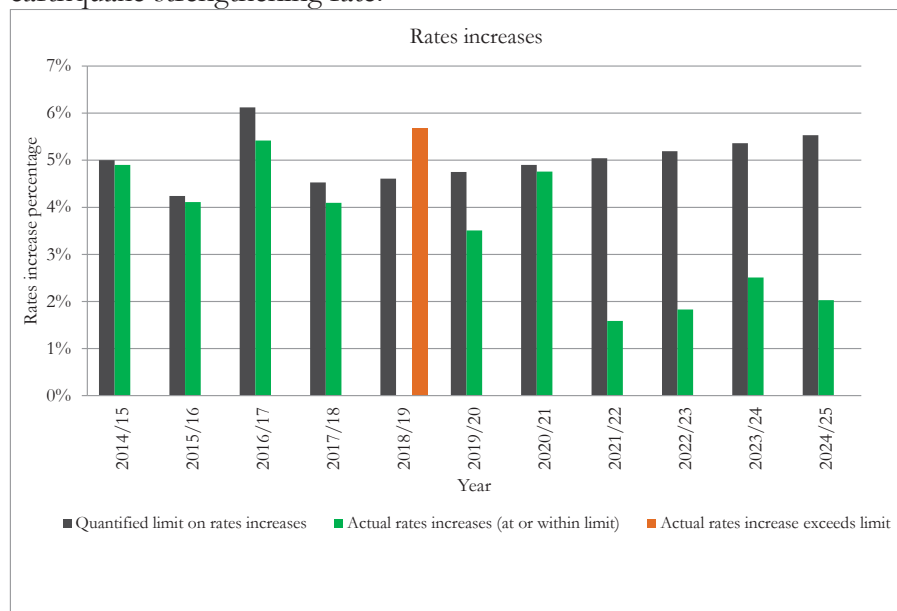
The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is the indicative rate limit measured in that rates(excluding metered water, trade waste and penalties) will not be more than 75% of Council's income.



Long-term plan disclosure statement

Rates (increases) affordability

The following graph compares the council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is based on the Local Government Consumer Index plus 2% plus debt repayment and earthquake strengthening rate.



2018/19 is the first full year we expect to operate the wastewater treatment plant, the increased cost of this plant could result in a rates increase greater than the limit.

Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

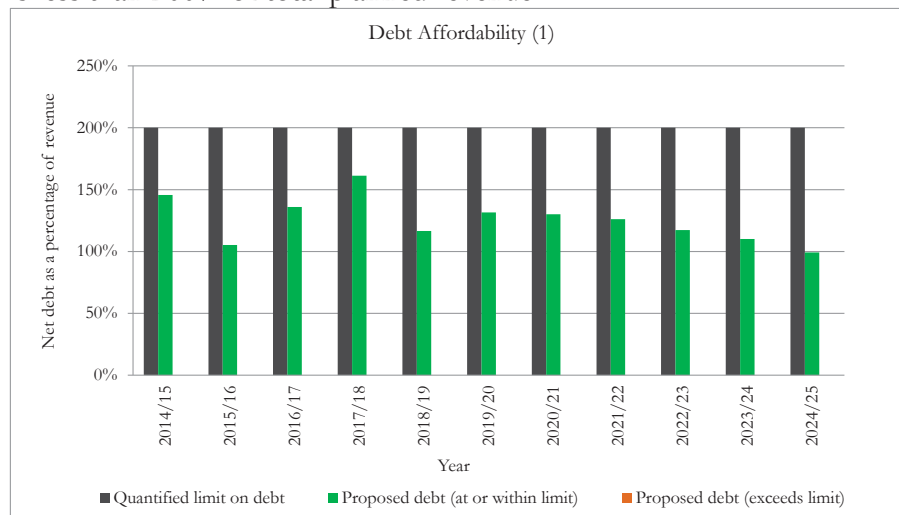
Council's limits on borrowing identified in the Liability Management Policy are:

- (1) Net debt will not exceed 200% of total revenue
- (2) Net interest will not exceed 15% of total revenue
- (3) Net interest will not exceed 20% of annual rates(excluding metered water, trade waste and penalties)
- (4) Liquidity (external debt + cash or near cash financial investments + committed loan facilities will be greater than 110% of external debt)

Long-term plan disclosure statement

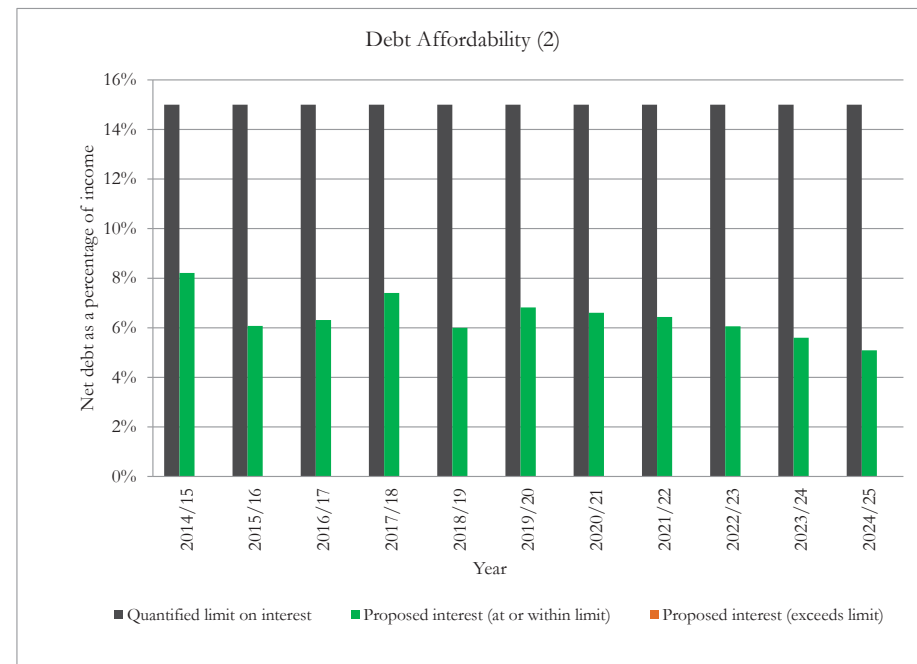
The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that (1) Net debt will not exceed 200% of total revenue

The council meets the debt affordability benchmark if planned net debt is less than 200% of total planned revenue



The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that (2) planned net interest will not exceed 15% of total planned revenue

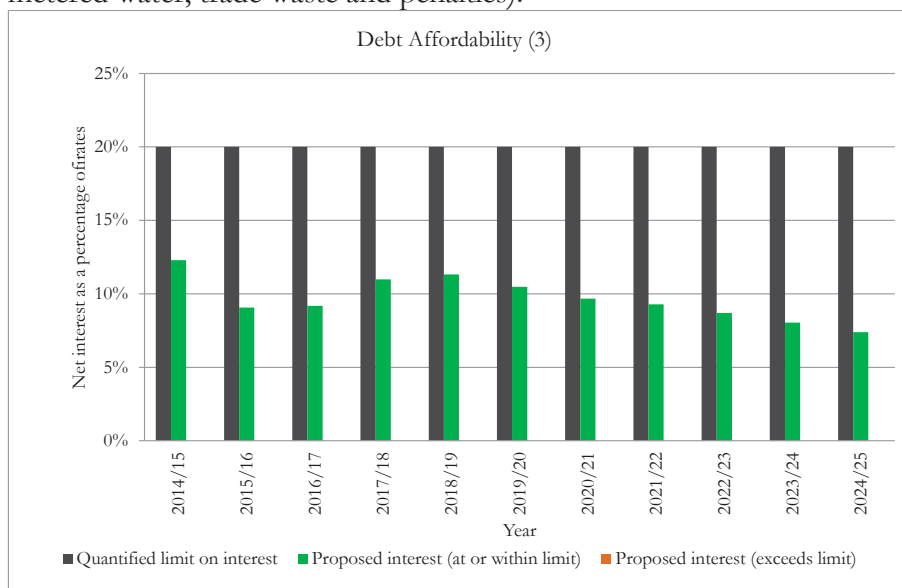
The council meets the debt affordability benchmark if planned net interest is less than 15% of total planned revenue



Long-term plan disclosure statement

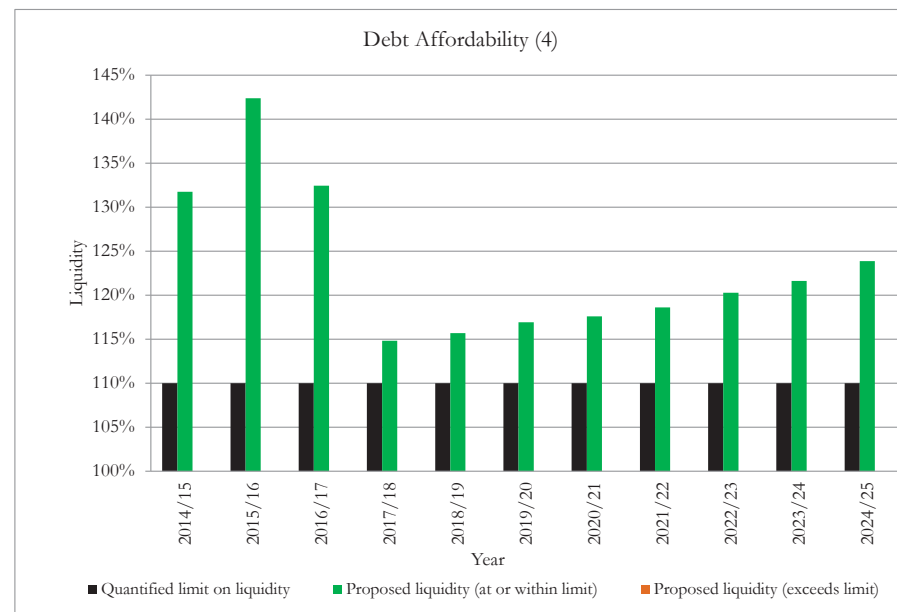
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that (3) planned net interest will not exceed 20% of planned annual rates income(excluding metered water, trade waste and penalties).

The council meets the debt affordability benchmark if planned net interest is less than 20% of planned annual rates income(excluding metered water, trade waste and penalties).



The following graph compares the council's actual liquidity, to ensure that external debt + cash (or equivalent) + committed loan facilities are greater than 110% of current external debt

The council meets this debt affordability benchmark if its actual liquidity is greater than 110% of external debt.

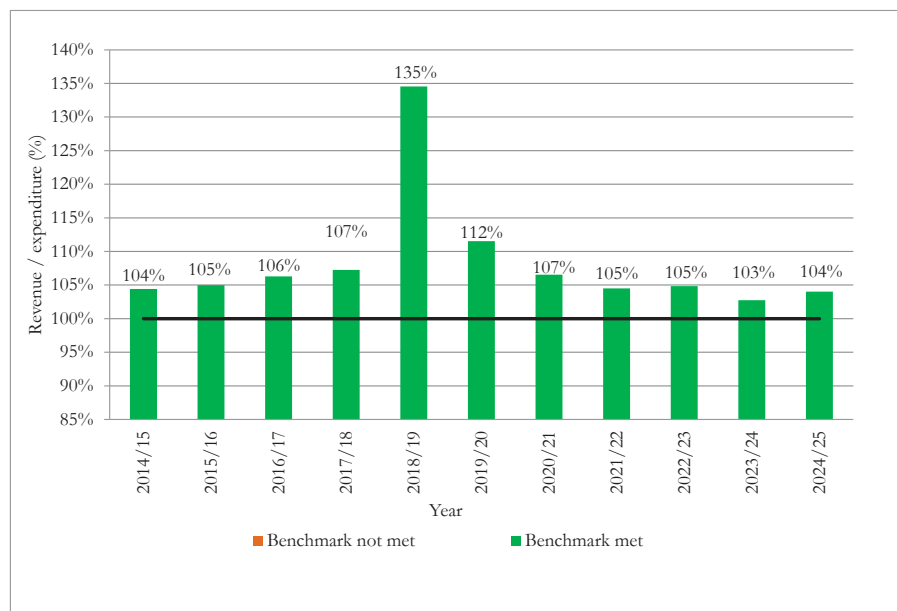


Long-term plan disclosure statement

Balanced budget benchmark

The following graph displays the planned council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

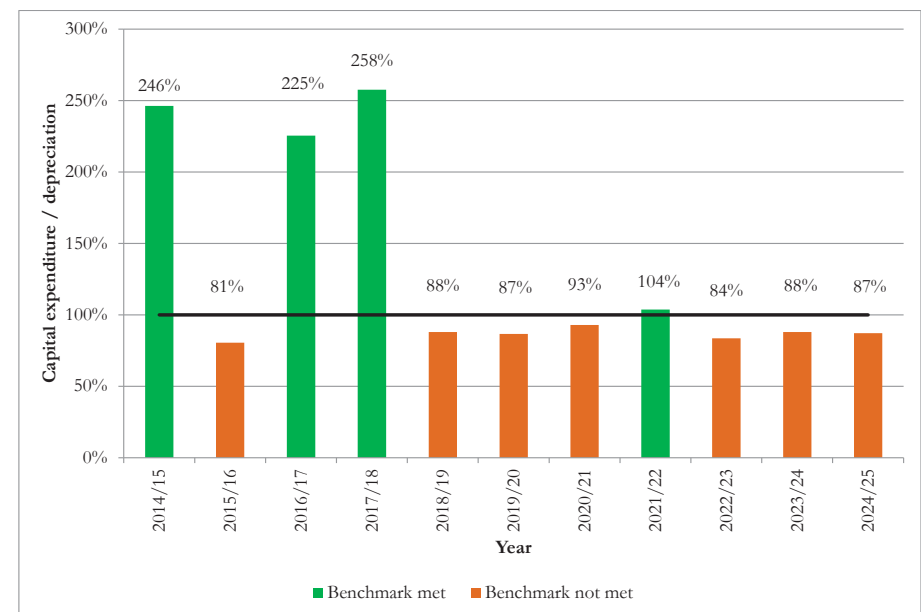
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential Services Benchmark

The following graph displays the council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Due to the cyclical nature of capital expenditure a number of years do not meet this benchmark however total capital expenditure over the 10 years exceeds total depreciation.

Capital expenditure budgets are derived using information on a combination of asset condition, criticality and asset performance. We have prioritised capital expenditure towards critical assets, non-critical

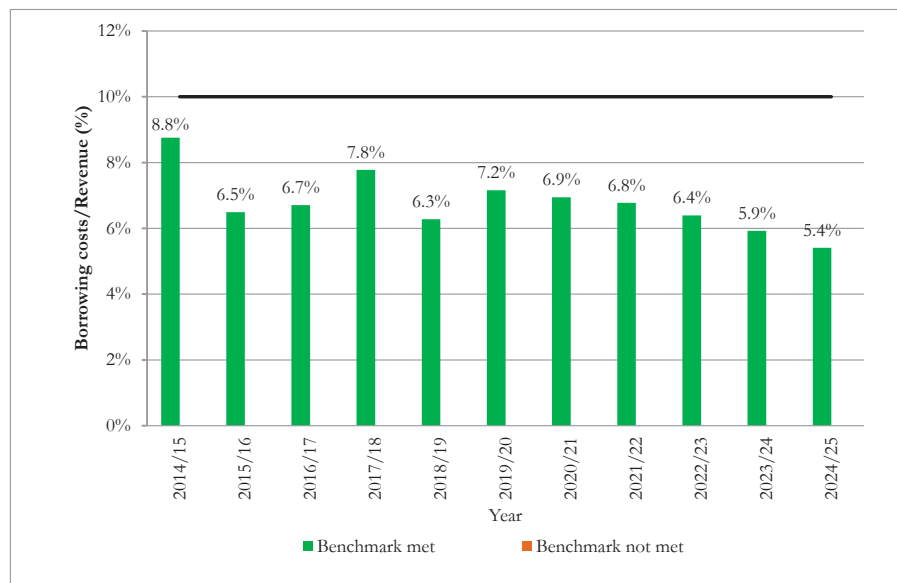
Long-term plan disclosure statement

assets will be run to failure, and then replaced/renewed. This approach ensures that money is spent prudently, and in the area of most need.

Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its revenue.



Revenue and financing policy

The purpose of the Council's Revenue and Financing Policy is to provide predictability and certainty about sources and levels of funding for all its activities. The Policy explains the rationale for and the process of the selection of various funding methods to fund the operating and capital expenditures of the council activities. It is an important instrument of council's financial management because how the activities are funded can have a significant impact on the financial viability of council services as well as on the overall impact of any allocation of liability for revenue needs on the community.

In the past year the Council has reviewed its funding of activities, including the basis for its rating system. It is proposing to make amendments to what is included in General Rates including how the Uniform Annual General Charge (UAGC) is calculated. Further changes to the Policy will be considered in the subsequent years.

Revenue and Financing Policy considerations

The Policy requirements are included in Sections 101, 103 and 103 of the Local Government Act 2002 (the Act). The Council when reviewing the most appropriate funding sources for its activities considered the following:

- the community outcomes to which the activity primarily contributes (why the service is provided)
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (user/beneficiary pays principle)
- the period in or over which those benefits are expected to accrue (intergenerational equity principle)

- the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity (exacerbator pays principle); and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Council outcomes

A full description of the outcomes as part of the Long Term Plan. The individual activity analysis lists the community outcomes that the activity primarily contributes to and link to the reasons why the activity is undertaken.

Distribution of benefits - who benefits

In general, benefits flow to an individual or group where it is possible to identify the user and to withhold the service to the user if the user does not pay. The costs of these benefits should generally be funded on a user-pays basis. These benefits are often described as 'private benefits'. 'Public benefits' which flow to the community as a whole arise where it is not possible to identify the individuals or groups that benefit and there is little effect on the cost of additional people benefiting or all the community benefits. The costs of these benefits are generally funded through rates as it is not possible or practicable or it is undesirable to charge users directly.

At this stage, Council is required to consider who benefits from the activities performed by Council. This is expressed as the Public/Private split. Economic theory suggests there are two main characteristics that need to be considered when looking at a particular good or service:

Revenue and financing policy

At one end of the continuum there are so-called 'public goods'. At the other end of the continuum are 'private goods' which are both rival and excludable. Most daily consumables are private goods.

Rivalry in Consumption - good is a rival in consumption if one person's consumption of the good or service prevents others from doing so, e.g. a chocolate bar is a good with a large degree of rivalry in consumption, i.e. if Bill eats it, Jane cannot.

Excludability - good or service is excludable if a person can be prevented from consuming the good or service, e.g. if Bill does not buy a movie ticket, then the usher can exclude him by preventing him from entering the theatre.

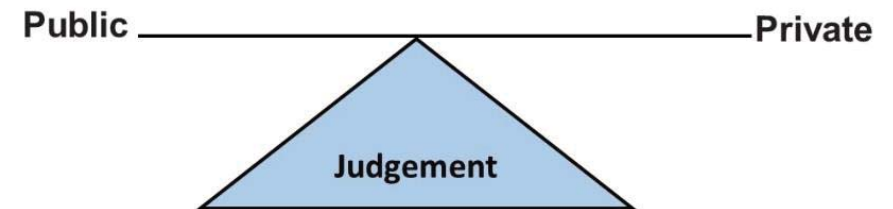
These are goods which are both non-rival and non-excludable, i.e. everyone can consume them and no one can be prevented from consuming them if they wish. A good example of a public good is national defence, where the whole community is protected from an invasion by the armed forces whether it wishes to be or not, and this protection cannot be removed from anyone in New Zealand.

Very few goods and services are entirely public goods or private goods. Most goods and services are 'mixed goods' and fall somewhere between the two ends of the continuum

The characteristics of a good or service determine what type of funding mechanism might be used to fund a particular service. Council has already made judgements about what it considers are public goods when deciding whether or not to undertake a particular activity.

For example, a good towards the public end of the continuum may not be a good candidate for user charges as people cannot be prevented from consuming it, or because everyone consumes it whether they wish to or not. Such goods will generally be candidates for funding from some general source such as a general rate. A good towards the private end of the spectrum may be a candidate for a targeted rate or a user charge.

In the end, it is likely to come down to 'reasonable' judgement. Both the LGA and previous case law place the responsibility on elected members to make decisions about who benefits and who should pay.



Time period of the benefits

The Council must assess the period over which the benefits flow from each activity. For all its activities, the operating costs directly relate to the benefits of an activity provided during the year of the expenditure. Operating costs are therefore funded on an annual basis from annual income including rates, user charges, subsidies and other income.

Revenue and financing policy

Capital expenditure produces assets that will produce benefits over their useful lives. These lives range from a few years for office equipment, computers and vehicles to 100 years for some infrastructural assets such as bridges and some pipe networks. The costs of these assets should therefore be funded over the time of benefit. This is the concept of intergenerational equity and is particularly relevant for larger assets. Loan funding and repaying the loans from rates to fund capital expenditure required to renew an existing asset or purchase a new asset is the most prudent financial method. This also provides intergenerational equity in that each generation pays its share of costs.

Who causes the need for an activity?

The Council is required to assess the extent to which each activity exists because of the actions or inactions of an individual or group. This principle, known as the exacerbator pays or polluter pays, suggests that costs should be recovered directly from those causing the need for the activity. Examples are parking fines, food licences, pool safety and trade waste.

Costs and benefits of funding the activity distinctly from other activities

The Council considers the individual costs and benefits of the funding of each activity. This analysis takes into account the consequences for transparency and accountability of the chosen funding method. Distinct funding allows ratepayers to assess whether or not the activity represents good value to them. For some activities, the costs of collecting user charges would be more than the revenue collected. As a result the council has chosen to fund a number of activities entirely from rates.

These matters were all considered with no single criterion given a greater weight than the others. The Council then considered the overall impact of the allocations on the overall impact of any allocation of liability for revenue needs on the community and considered the following matters:

- The likely impact of the mix of funding sources on ratepayers on fixed incomes (affordability).
- Will the Policy act as a barrier to the accessibility of the activity?
- What incentives will the Policy have for development of the district?
- How is the burden of funding distributed across differing sectors of the community?
- Does the Policy support people to conserve scarce resources, avoid environmentally unfriendly activities and preserve our natural heritage?
- Does the Policy support the community participating in recreational and cultural activities and to preserve historical and other cultural heritage?

Financial Management

In terms of the Local Government Act 2002 (the Act) the Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's operating expenses (a balanced budget). Despite this requirement, under section 100(2) of the Act, the council is allowed to set projected operating revenues at a different level from that required to achieve a balanced budget if the council resolves that it is financially prudent to do so, e.g. to fund a previous or future year's deficit or to repay debt.

Revenue and financing policy

Other legal requirements

While the Revenue and Financing Policy is governed by the Local Government Act 2002, there are a number of other pieces of legislation that are relevant for determining appropriate funding mechanisms.

They include:

Local Government (Rating) Act 2002

This Act sets out all the legal requirements for rating. It covers who is liable to pay rates, what land is rateable, what kind of rates may be set and how those rates are set, the valuation system which may be used and the various rating mechanisms available (such as targeted rates). It also sets a number of limits on local government. For example, all rates set on a uniform basis (including the Uniform annual general charge but excluding a uniform rate for water or wastewater) may not exceed 30% of the total rates revenue.

Other legislation

A number of Acts, such as the Sale and Supply of Alcohol Act 2012, set out statutory fees for various types of regulatory services. These fees may not be exceeded. Where fee setting is up to a local authority, there is often a general legal requirement for this to be “fair and reasonable”.

Resource Management Act 1991

This Act sets out Council’s responsibilities in terms of the environment. It also specifies the circumstances in which local authorities may require financial contributions from developers to meet the costs of their impact on the environment including their impact on the demand for infrastructure. Alternatively, under the Local Government Act 2002, local authorities are allowed to seek development contributions or a combination of development and financial contributions under the

respective Acts. The Wanganui District Council will not take development contributions from 1 July 2015 though it may consider financing contributions in the future as part of its review of its District Plan. The need for development contributions will be periodically reviewed.

General policies on funding and sources of funding

Capital expenditure is the category of spending which creates a new asset or extends the lifetime of an existing asset. Expenditure on council’s day-to-day operations is classed as operating expenditure and also includes overhead costs, which represent all costs not directly attributed to any of the activities e.g. support services like financial services, IT services and human resources, customer services and administration.

The sources of funding available to the council include:

- General rates, including
 - Choice of valuation system
 - Differential rating; and
 - Uniform annual general charge.
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies; and
- Any other source.

Revenue and financing policy

General rates

During the Council's Funding Review the Council chose to continue with the land value rating system for its general rates.

Differentials are a tool for altering the incidence of rates. Setting a differential rate does not increase the rating income, it merely allocates the rates requirement in a different way from a pure value-based system. The Council applies a differential to the General rate based on land use and area as set out below.

Commercial

Properties used for commercial or industrial purposes

Properties not used for commercial or industrial purposes that are:

Residential

less than 0.5 hectares

greater than 0.5 hectares but less than 1 hectare

greater than 1 hectare but less than 2 hectares

greater than 2 hectares but less than 3 hectares

Farming

greater than 3 hectares but less than 4 hectares

greater than 4 hectares but less than 5 hectares

greater than 5 hectares but less than 10 hectares

greater than 10 hectares

Definitions of the differential are included in the funding impact statement.

Uniform Annual General Charge

The Council levies a Uniform Annual General Charge (UAGC) as a fixed amount on each separately used or inhabited part of a rating unit.

Targeted Rates for Natural Disasters

In response to significant costs arising as a result to natural disasters, the Council may introduce an additional targeted rate for a specified period to fund the cost of reinstatement.

Fees and Charges

The Council impose fees and charges to recover either the full or a part of the cost of a variety of services provided. These include, for example, the regulatory services such as building consents, provision of utility connections and vehicle crossings.

Interest and dividends

The Council allocates its holding company income to wastewater to reduce rates, and to repay loans in general rate funded activities.

Other income such as forestry income is used to repay debt in general rate funded activities.

Borrowing

When funded by debt, the Council spreads the repayment of that borrowing over several years. This enables the Council to match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, the

Revenue and financing policy

Council seeks to match the term of borrowings with the average life of assets when practical. The Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council special funds
- Contributions towards capital expenditure from other parties such as New Zealand Transport Agency (in relation to certain roading projects)
- Proceeds from the sale of assets; and
- Operating surpluses
- Rates.

Proceeds from asset sales

Proceeds from any asset sale will in the first instance go to repay debt that may be associated with the activity. Wherever the sale proceeds are greater than the known debt or the replacement cost of the 'like' asset then the proceeds will be made available for General debt reduction.

Development Contributions

The Local Government Act 2002 (LGA 2002) provides for local authorities to recover, through development contributions, capital expenditure related to growth. Councils may require development contributions from developments where the effect, including the cumulative effect, of development is to require new or additional assets or assets of increased capacity, and as a consequence, the Council incurs capital expenditure. This includes capital expenditure a Council has already incurred in anticipation of growth.

Growth in services resulting from a population increase is not foreseen over the ten year period therefore the Council has chosen not to take development contributions as a form of revenue.

Financial Contributions under the RMA

For Financial Contributions to be levied, the detail need to be provided for in the Council's District Plan. Then Financial Contributions may be imposed as a condition of development or resource consent. Works and services may be required for purposes specified in the District Plan for ensuring positive effects on the environment. Development can place a significant strain on existing physical resources (utility networks, reserves and public amenities). Council may consider modifying the district plan in the future to provide for Financial Contributions.

Grants and Subsidies

The Council receives subsidies from New Zealand Transport Agency, which cover a proportion of the capital and maintenance costs of our roading network.

Any other source

Special funds are funds which have either been received by the Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by the Council to be applied for a specific purpose or area of benefit (Non Restricted Funds).

Funding of Capital Expenditure

The Council categorises its capital expenditure projects as to meet additional demand, to improve the level of service and to replace existing assets. The following funding sources are used for each category under normal circumstances, with any alternative funding sources specifically resolved by the Council.

Revenue and financing policy

To replace existing assets projects

Renewal projects restore or replace components of an asset or the entire asset to meet the current level of service (to its original size, condition or capacity). These projects will be funded from rates and if applicable subsidy from NZTA for Roading renewal projects.

To improve the level of service projects

The creation of a new asset or alterations to an existing asset that means a higher level of service is delivered. These projects will be funded by loan and repaid from the operational funding sources.

To meet additional demand projects

As noted above, Council has not identified any additional assets required to serve growth in existing services due to new areas being serviced. If in the future there are growth related projects requiring to be funded, the Council at that time will identify the most appropriate funding tool available including the consideration of developer agreements.

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Parks and reserves	Active and culturally rich	Medium	High	Low	Medium	40-50%	50-60%	While individuals do benefit from the provision of the service, the community as a whole benefits from the existence of this activity. Furthermore there is limited ability to charge people for the provision of the service and restrict residents and ratepayers from using these services	Fees & charges; lease charges for exclusive use; sponsorship & donations; bequests;	General rates	Fees & charges, leases, sponsorship, donations & bequests & General rates	Loan funding, donations & bequests & General rates
Swimming pools	Active and culturally rich	High	High	Low	Low	60%	40%	While individuals benefit from using the pools there is a benefit to the community	Fees & charges; sponsorship, donations; bequests	General rates	Fees & charges, leases, donations & bequests & General rates	Loan funding, donations & bequests & General rates
Community and operational property	Economic prosperity	High	High	Low	High	90%	10%	The primary benefits of this activity are tenants and leases however there is a small benefit to the district resulting from the provision of this activity	Leases; rentals; licence to occupy	General rates	Leases; rentals; licence to occupy & General rates	Loan funding, & General rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Cemeteries	Safe and healthy community	High	High	Low	Low	80%	20%	The activity provides a service to individuals, there is a longer term benefit to the community from the use of cemeteries	Internment fees;	General rates	Internment fees; & General rates	Loan funding, & General rates
Central Business District maintenance	Economic prosperity	High	Medium	Low-Medium	Low	50%	50%	All businesses within the CBD received benefit from the expenditure, there is a wider district benefit in having a vibrant CBD	Targeted rate on CBD; licence to occupy; foot traffic; size of frontage; proximity to upgraded mainstreet	General rates	Targeted rate on CBD & General rates	Targeted rate on CBD & loan funding
Community buildings	Community partnerships	High	High	Low	High	70%	30%	The predominant users of these facilities benefit directly by the provision of these services. Because these facilities exist there is a benefit to the whole community	Rentals	General rates	Rentals & General rates	Loan funding

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Libraries	Active and culturally rich	High	Medium-High	Low	Low	60%	40%	While individuals receive the benefit from the recreational and educational value of libraries, there is a wider benefit to the community in the provision of these services	Fees & charges; external contracts; bequests; sponsorship	General rates	Fees & charges, leases, donations & bequest & General rates	Loan funding, donations & bequests & General rates
Sarjeant Gallery	Active and culturally rich	Low	High	Medium	Medium	10%	90%	The building and collection provide benefit to individuals through the viewing but the wider community including national community, receive significant value from its existence.	Donations, fees & charges; (membership fees)	General rates	Donations, fees & charges; (membership fees); & General rates	Loan funding, donations & bequests & General rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Royal Wanganui Opera House	Active and culturally rich	High	High	Medium	Medium	75%	25%	The users being those who attend performances are the primary users of this activity. The community benefits to a lesser degree by the existence of this facility	Fees & charges	General rates	Fees & charges, leases, donations & bequest & General rates	Loan funding, donations & bequests & General rates
Whanganui Regional Museum	Active and culturally rich	Low	High	Medium	Medium	10%	90%	The museum provides a record of the community's history, which is of benefit to the entire community and the nation	Donations, fees & charges; (membership fees)	General rates	Donations, fees & charges; (membership fees); & General rates	Loan funding, donations & bequests & General rates
Airport	Economic prosperity	High	High	Medium	Medium	70%	30%	The airport provides key transportation links but the users of the airport and associated services are the primary users and can be identified	Fees & charges; rentals	General rates	Fees & charges; rentals & General Rates	Loan funding & General rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
War Memorial Centre	Community partnerships	Medium	High	Low	Medium	40%	60%	All the users of both the Hall, Conference and Convention Centre benefit directly from the provision of the service, there is a wider benefit to the community are both economic and remembering historical events	Fees & charges; sponsorship	General rates	Fees & charges, sponsorship, & General rates	Loan funding, & General rates
Central Business District parking	Economic prosperity	High	High	Medium	Low	80%	20%	While the primary beneficiaries of this activity of the people who use the car parks there is a wider community benefit in having a vibrant CBD	Fees charges; & fines	General rates	Fees & charges; fines; & General rates	Loan funding, & General rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Community	Safe and healthy community	Low	Medium	Low	Low	10%	90%	The purpose of community development is to enhance the community, therefore the community as a whole benefits from the provision of the service, However there are individuals who may benefit from the activity	Government grants; partnerships	General rates	Government grants; partnerships; & General rates	NIL

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Economic development	Economic prosperity	Low	Medium	Low	Low	10%	90%	The purpose of economic development is to enhance the economic growth of the district therefore the community as a whole benefits from the provision of the service. While individual businesses may receive increased growth as a result of the activity it is still the intention of the economic development activity is to grow the district	Government grants; partnerships; targeted rate to commercial & industrial properties - fixed & capital rate	General rates	Government grants; partnerships; targeted rate to commercial & industrial properties - fixed & capital rate & General rates	NIL

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Emergency management - including rural fire	Community partnerships	Low	Low	Medium	Low	5%	95%	Emergency Management is the preparation of the community for a natural disaster and therefore no individual benefits from this activity. In specific instances certain costs relating to the rural fire activity can be recovered from individuals	Permits; recovery costs	General rates	Permits; recovery costs & General rates	Loan funding, & General rates
Animal control	Safe and healthy community & Environmental sustainability	High	Low	High	Medium	70%	30%	The prime beneficiaries from this activity is the public due to the control of wandering animals, however there is some benefit to animal owners to ensure the animal safety	Fees charges &	General rates	Fees charges; & General Rates	NIL

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Building control	Safe and healthy community & Environmental sustainability	High	Medium	Medium	Medium	80%	20%	While individuals who use the service are the primary beneficiaries because of the service being provided, the community also receive a benefit from having buildings which meet the required building standards	Fees charges &	General rates	Fees charges; & General Rates	NIL
Environmental health	Safe and healthy community & Environmental sustainability	Low	Low	Medium	Low	20%	80%	The primary function of this activity is to ensure public health however individual businesses benefit from the service	Fees charges &	General rates	Fees charges; & General Rates	NIL

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Environmental policy	Safe and healthy community & Environmental sustainability	Low	Low	Medium	Low	5%	95%	The functions of this activity result in a more controlled planning environment which benefits the community. There are also small benefits to developers who use the plan change process	Fees charges &	General rates	Fees charges; & General Rates	NIL
Liquor licensing	Safe and healthy community & Environmental sustainability	Low	Low	Medium	Low	20%	80%	The purpose of this activity is to enhance public safety, however those holding licences are able to benefit from the provision of the service	Fees charges &	General rates	Fees charges; & General Rates	NIL

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Resource management	Safe and healthy community & Environmental sustainability	High	Low	Medium	Medium	60%	40%	While applicants receive significant benefit through the provision of this activity, there is a wider benefit through the process allowing participation in the approval of resource consents	Fees & charges	General rates	Fees & charges; General Rates	NIL
Pensioner housing (including some social)	Community partnerships	High	High	Low	Low	90%	10%	The provision of the 274 units primary benefits the occupiers. The community also benefits by the existence of this facility	Rentals	General rates	Rentals	Loan funding, & General rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Governance and democracy	Community partnerships	Low	Low	Low	Low	0%	100%	The provision of governance is a public good as each member of the public have an equal ability to participate in the governance process. However there are the occasional people who abuse this process.		General rates		NIL
Waste minimisation	Environmental sustainability	High	Medium	Medium	Low	60%	40%	The beneficiaries of this activity include the users of the landfills (both existing and future) however there are ongoing districtwide benefits of having a clean environment.	Fees & charges; bag rate; targeted rate based on location	General rates		Loan funding, & General rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Earthquake strengthening	Safe and healthy community	Medium	High	Low	Low	50%	50%	The users (the occupiers) of the Council's buildings are the beneficiaries of this activity, but there are benefits to the community including having safe infrastructure.	Debt	General rates		Loan funding, & General rates
Footpaths and berms	Safe and healthy community	Low	Medium	Low-Medium	Low	10%	90%	The community benefits by the provision of footpaths and berms however utility companies benefit by the provision of the corridor (including berms) to locate their reticulation infrastructure	Targeted rate value-based	General rates	Targeted rate value-based & general rates	Loan funding, & General rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Roading	Economic prosperity	Medium	Medium	Medium	Low	70%	30%	The Rooding network provides significant economic benefits to the district by enabling the transportation of goods and people. Also the users of the (motorists) are beneficiaries of this activity. in addition the utility companies benefit by the provision of the corridor (including berms) to locate their reticulation infrastructure economic	NZTA subsidy; targeted rate on land use or location; fees & charges; petrol tax	General rates	NZTA subsidy; targeted rate on land use or location; fees & charges; petrol tax & general rates	NZTA subsidy;& general rates

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Wastewater	Environmental sustainability	High	High	Medium	Low	70%	30%	While the primary beneficiaries of this activity are the properties that are connected to the wastewater scheme, there are benefits to the district by ensuring a clean receiving environment	Targeted rate on connection & availability to connect; trade waste fees & charges; financial contribution	General rates	Targeted rate on connection & availability to connect; trade waste fees & charges;& general rates	Targeted rate on connection & availability to connect; trade waste fees & charges; financial contribution; General rates & loan funding
Waterways and natural drainage	Environmental sustainability	Low	Low	Medium	Low	0%	100%	The community as a whole benefits from efficient and effective natural drainage. There are minor benefits to individual properties which are protected through this activity	Targeted rate based on location; land area	General rates	Targeted rate based on location; land area & General rates	Targeted rate based on location; land area & General rates & loan funding

Revenue and financing policy

Activity	Community Outcomes	User or beneficiary principle	Intergenerational equity principle	Negative Effect/ Exacerbate	Costs and benefits	Who benefits		Rationale	Funding tools		Operating funding sources	Capital funding sources
						Private	Public		Private	Public		
Stormwater	Environmental sustainability	Medium	High	Low	Low	50%	50%	Individual properties are protected from flooding from the provision of this activity, however the community as a whole benefits from good reticulated stormwater to prevent widespread flooding	Targeted rate based on availability of service	General rates	Targeted rate based on location; land area & General rates	Targeted rate based on location; land area & General rates & loan funding
Water supply	Safe and healthy community	High	High	Low	Low	80%	20%	More properties that are connected to water supply receive the most benefit from this activity, the community as a whole benefits from having safe drinking water	Targeted rate based on connection or availability	General rates	Targeted rate based on connection or availability & General rates	Targeted rate based on connection or availability & loan funding

Financial Strategy

Summary

Our Financial Strategy describes how we plan to finance our services and activities in a way that is sustainable over the long term. Its purpose is to ensure Council has undertaken prudent financial management in the choices it makes on which services to provide. If our expenditure and funding plans are not sustainable we may not have the capacity or resources to deliver affordable services to residents and ratepayers in the medium and long term.

In simple terms, we must live within our means by ensuring that current ratepayers are paying the reasonable costs of the services they are consuming.

Currently this is difficult as we provide a large and increasing range of services, have relatively high debt levels, a static to falling population, aging infrastructure, low property values and low income levels.

Our Financial Strategy is designed to give you an understanding of our current financial situation and how it has arisen. It also outlines the main factors that influence the demand for and cost of Council's services, as well as the financial challenges and risks that we face and how these risks will be addressed.

It is also designed to facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against and provides a context for consultation on the local authorities proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debts & investments.

Most importantly, we have prepared our Financial Strategy to ensure that you and the community have the right information available, to engage Council about the trade-off between the costs of Council services and the levels of service wanted by the community.

The Financial Strategy is a key part of Council's 2015-2025 10-Year Plan and it needs to be read with other key documents in that plan including:

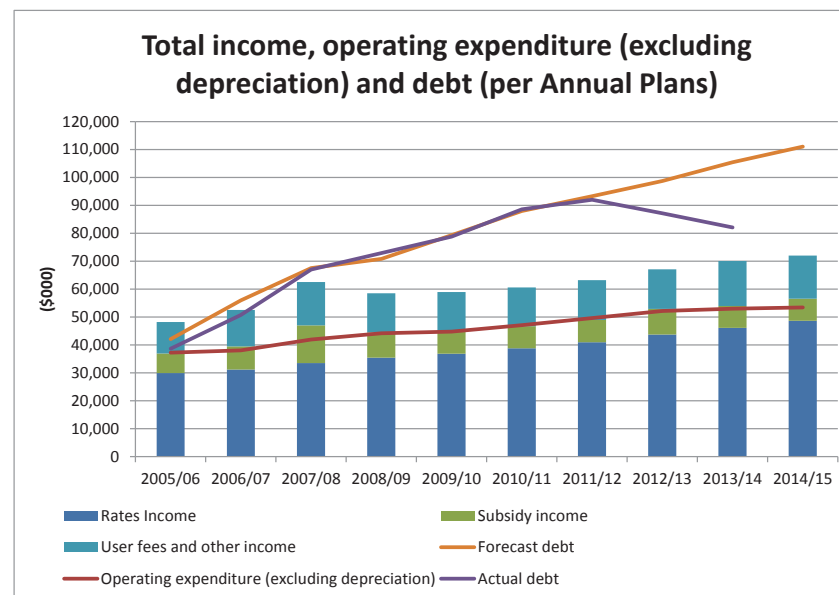
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| Council's Vision Statement | This defines our goals for the mid to long-term future. It serves as a guide for choosing current and future courses of action. |
| Infrastructure Strategy | This strategy describes how Council intends to manage its infrastructure assets and associated expenditure needs over the next thirty years. |
| Revenue and Financing Policy | This policy details Council's intended approach to funding operating and capital expenditure from available resources. It determines who pays for Council activities and on what basis. |
| Liability Management Policy | This policy outlines approved limits and procedures in respect of all Council's borrowing and related risks. |
| Rates Required by Activity | This chart details the revenue and costs of each activity of Council. It includes both operating and capital costs in addition to the rates requirement and outstanding loans of each activity. |

Financial Strategy

Council's Current Financial Position (30 June 2014)

Our Financial Strategy over the last 10 years has balanced what services the community desires with what the community is prepared to pay for those services through tightly controlled expenditure, low rate rises and large debt increases due to the funding of large capital projects, particularly the separation of the wastewater and stormwater networks. In general the community's desire for low rate increases has overridden the desire to fully fund the expanding services and level of services delivered.

The following graph shows that from 2005/06 Council has planned for operating surpluses. However these surpluses have been insufficient to cover capital expenditure, as a result the graph also shows debt has increased during this period. (Actual income and expenditure will vary from planned income and expenditure due to the inclusion of non-cash items, such as depreciation and revaluations within actual income and expenditure.)



This strategy has seen average rate increases of around 4-5% per year and increases to approved debt levels averaging 11% per year.

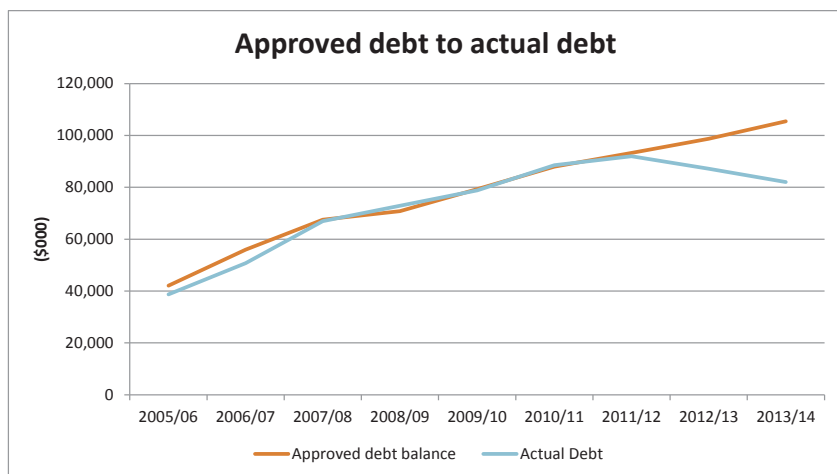
We were close to reaching a tipping point where a build-up of changes over time was leading us to a point where a lack of resources meant it was just not possible to maintain our facilities and services at current levels.

Financial Strategy

This approach for large debt increases and small rate increases and expanding services is not sustainable. In fact Council has planned to increase borrowings every year since 1999.

In explaining and analysing Council’s financial position we have used the information from our Budgets (Annual Plan and 10-Year Plans) as these are the figures that set your rates.

Other than recent debt, Annual Plan figures track closely with our actual financial results which we present in our Annual Report. The following graph shows the relationship between approved debt from the Annual Plan and actual debt in the Annual Report.



From 2013, actual debt has trended downwards from forecasted approved debt as the sale of the assets of Energy Direct NZ Limited (EDNZ) on 1 July 2013 enabled Council to reduce its WDC debt by

\$8 million. Additionally, the delayed upgrade to the waste water treatment plant has put off the need to borrow another \$18 million. In addition, the wider Council group has another \$10 million of loans in Wanganui District Council Holdings Limited (WDCHL). These loans, initially \$17 million, were reduced by \$7 million due to the sale of EDNZ’s assets. These WDCHL loans are serviced from WDCHL’s investment in GasNet Limited.

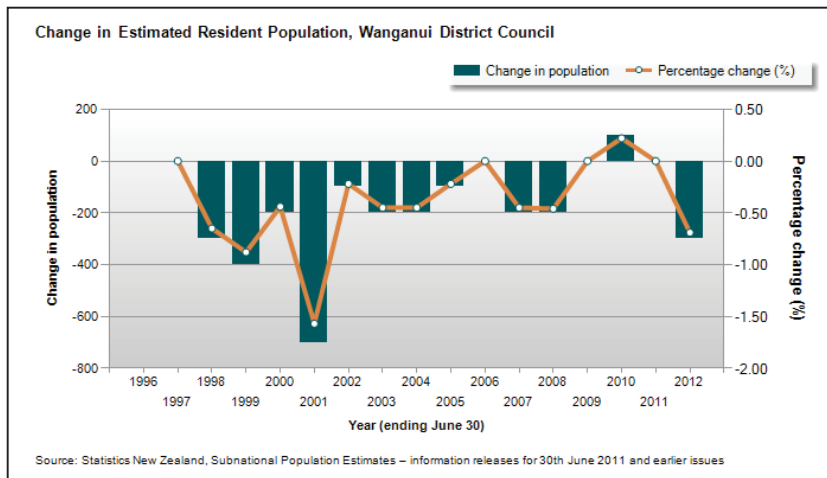
This approach for large debt increase and small rate increase and expanding services is not sustainable

Community’s ability to pay

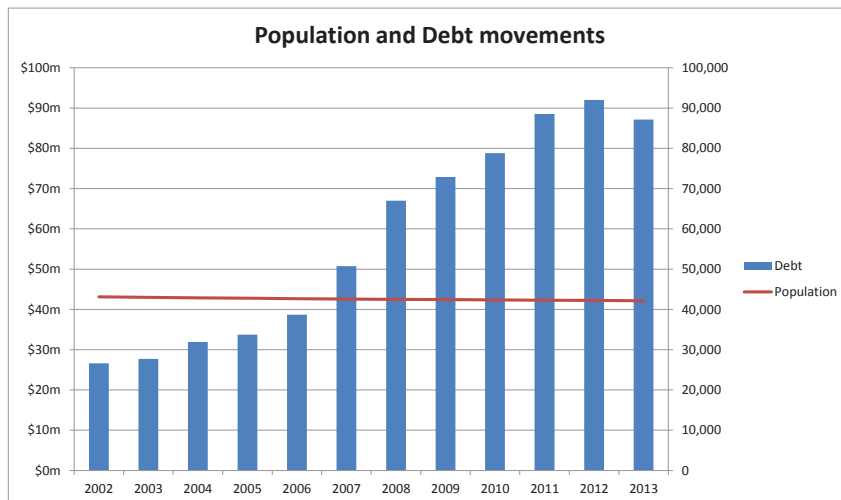
The community’s ability to pay for services is affected by its wealth and income, future expectations of wealth and income and the number of people who can share the cost of Council provided services.

From the 2013 census, median income for families was significantly lower in Wanganui at \$56,300 compared to the then national average of \$72,700. Approximately 58% of the population aged 15 and over was employed which is less than the national average of 64%. Compared to national averages, the population is slightly older, less ethnically diverse, less well educated and less wealthy. The average age of Wanganui residents is also increasing.

Financial Strategy



The graph below highlights Council's increasing debt against a static population growth.



At the 2013 census the District had a population of 42,153 (a decrease of 486 people from 2006, which itself had a decrease of 630 people from the 2001 census). While there has been a population decrease there has been a small increase in the number of rate paying properties as the number of people living per property has reduced.

For the 2015-2025 10-Year Plan it is assumed that the Wanganui community will continue to have lower incomes, lower income growth, a lower percentage of the population employed than the national average as well as a static population or population decline. We don't expect any change in land use to have significant effect on demand for infrastructure. As such, our Financial Strategy is conservative on debt and rate increases. This small population change is not expected to have a significant effect on Council's operating or capital costs.

More details on Wanganui demographics and the Wanganui economy can be found in Volume One of the 2015-2025 10-Year Plan.

As the Wanganui Community has lower incomes and population growth rates than most New Zealand communities, we need to be conservative in our financial strategy on rate and debt increases.

Council's Future Financial Position (2015-2025)

To live within our means we cannot keep borrowing. It is not prudent to budget that our community will be significantly larger or richer, although Whanganui and Partners Ltd's Economic Development Strategy's aim is to do just that. The establishment of Whanganui and Partners Ltd is a recent initiative undertaken by Council, that by

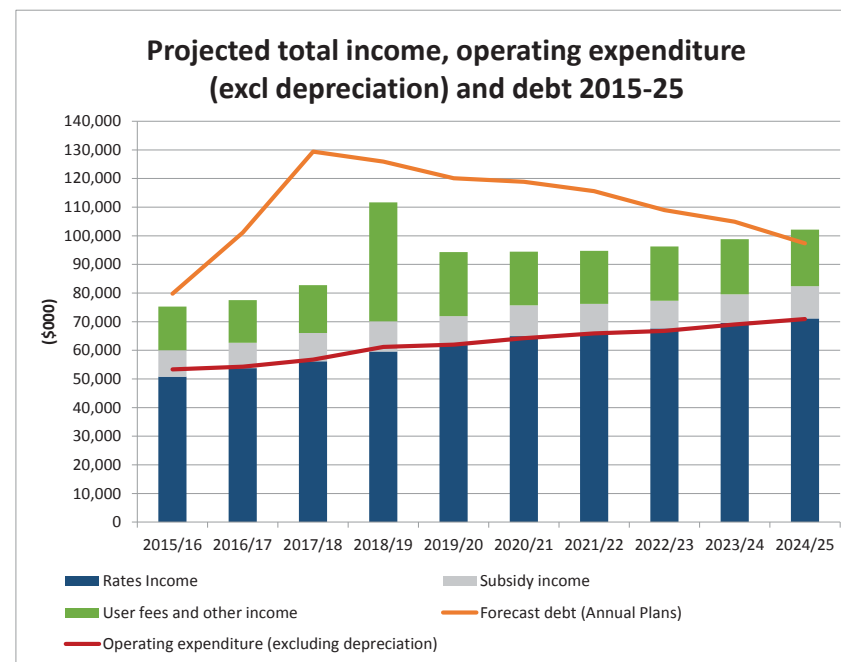
Financial Strategy

partnering with various segments of our community we can achieve the objective of growing Wanganui’s economy.

Balancing the books

For the last 10 years Council has planned to spend more than it has earned and has balanced the books by borrowing to pay the difference. While borrowing will be necessary to build the new wastewater plant, in the latter years of this plan Council will be repaying debt. Council plans to slowly increase its debt repayment as most debt repayment is paid from rates.

The following graph shows projected operating surpluses. The debt balance is projected to reduce after 2017/18 as some of the operating surpluses are used for debt repayment.



Purchasing and maintaining infrastructure assets

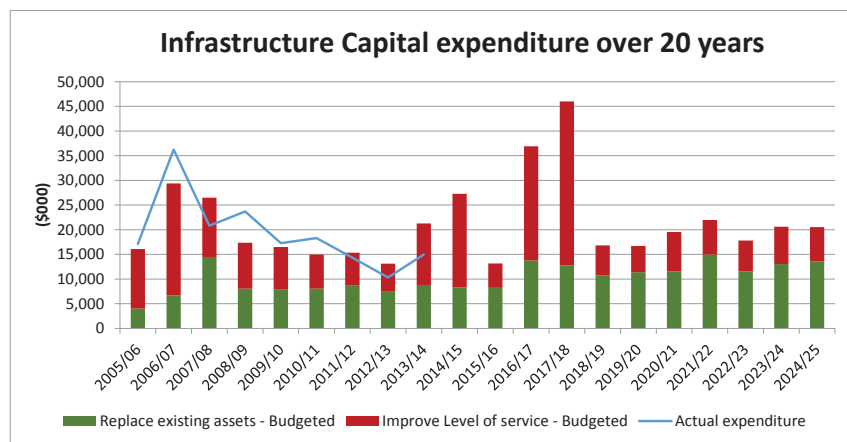
In the past 10 years Council has spent \$198 million on purchasing and replacing its infrastructure assets and this is the main contributor to our rising debt levels.

In this plan Council plans to spend \$230 million on purchasing and replacing its infrastructure assets.

Council plans to slowly increase its debt repayment as most of our debt is paid from rates.

Financial Strategy

The following graph highlights Council’s capital expenditure on infrastructure over the past ten years as well as what is budgeted for in this 10-Year Plan.



The figures in the above graph include capital expenditure on Waterways and natural drainage, which is minimal except year 2023/24 where \$1.1M is budgeted for work at the mouth of the Whanganui river.

Historically, Council’s budgeted and actual capital expenditure have been consistent with each other. We expect this trend to continue.

In this plan Council plans to reduce total borrowings to \$97 million by year 2024/25. In addition, Council plans to:

- Limit Council net borrowings to less than 200% of its total revenue

- Ensure that net interest is less than 15% of total revenue
- Ensure that net interest is less than 20% of annual rates
- Hold cash assets and confirmed borrowing facilities is greater than 110% of external debt

To address the budget Council has reviewed its efficiencies, levels of service, levels of user fees, asset sales and rates increases.

In addition to the above, Council is currently undertaking extensive modelling of its infrastructure networks. This will result in improved data information on the condition of its assets, enabling more efficient and effective targeting of expenditure.

Council will limit its borrowings to less than 200% of its total revenue and ensure that net interest is no more than 15 % of total revenue

Improved efficiencies

Council is in the process of undertaking an externally led review of all its activities and services.

The work to date from the Activity and Service Review is that Council is efficient in delivering its services and that its financial difficulties are due to the condition of its assets, the number of services and service levels it is attempting to deliver to.

Council’s decisions in relation to this review will include determinations in relation such things as Council’s involvement in Pensioner Housing.

Asset sales

Financial Strategy

The 2014 Annual Report shows Council has approximately \$900 million of assets and \$100 million of liabilities with a net value of \$800 million. However, the majority of assets are not saleable as they are fundamental in delivering our Council services to you. These are the pipes in the ground, the roads, parks, books, land and buildings etc.

Potential saleable assets include Forestry, GasNet Ltd and surplus and under-used parks and properties. Should Council decide to sell significant assets it would be required to undertake public consultation.

Council has found that disposal of community assets is difficult as there is always a part of the community that wishes them kept. On average, over the last 10 years, Council has sold approximately \$670,000 of surplus assets per year.

Increasing user fees and Government subsidies

User fees and Government funding make up approximately 30 percent of Council's funding requirements.

This income is subject to changes in market conditions and Government policy.

Central government has advised that Council will be getting lower subsidies for the maintenance of our roads. This funding is estimated to reduce by \$5 million over this 10-Year Plan.

While Council takes every opportunity to leverage external sources of funding (for example: funding for the Gallery relocation), the funding is often application based, has a finite period and is subject to policy changes.

Sale of community assets can be difficult as there is always a part of the Community who wishes to keep them

Rate increases

In considering everything earlier in this Financial Strategy Council proposes an average rate increase over the 10 years of 4.1%. The existing level of services can be maintained with this rate increase.

The rates are higher than the rate of inflation as Council rates needs to repay debt and pay for the wastewater treatment plant, reduced government funding for roads and strengthening earthquake prone buildings.

Council proposes that rates revenue (excluding water by meter, trade waste and penalties) will not be more than 75% of Council's total revenue

Council limits an increase of total rates revenue from all existing ratepayers (excluding water by meter, trade waste and penalties) of no more than the local government inflation rate plus 2% plus targeted rates for debt repayment and natural disasters.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Rates Increase (to existing ratepayers)	4.1%	5.4%	4.1%	5.7%	3.5%	4.8%	1.6%	1.8%	2.5%	2.0%
Proposed rates limits	4.2%	6.1%	4.5%	4.6%	4.8%	4.9%	5.0%	5.2%	5.4%	5.5%

Other than in 2018/19 (the first year of operation for the wastewater treatment plant) our proposed rate increase is less than the limits in the table above.

(n.b. Rates increase calculations exclude rates from trade waste, metered water and penalties)

Financial Strategy

Security

In order to borrow money, Council has to offer some security just like residents with their mortgage. Like most Councils, the majority of our debt is secured against our rates income. Council's Liability Management Policy also allows security to be offered by providing a charge over one or more of Council's assets.

Council has issued security to banks, the New Zealand Local Government Funding Agency and holders of Wanganui District Council Local Government Stock. The security issued is for actual borrowings and undrawn credit facilities. The security we offer and our credit rating enables Council to borrow at favorable interest rates.

Investments

The Council holds investments in property, companies and joint ventures (JV) and bonds (see below for details).

Council holds property investments in the Harbour Endowment and City Endowment.

Entity	Principal reason for investing	Budgeted return
Harbour endowment	Maintenance and development of the Sea Port	6.5% Return on Investment
City endowment	Benefit the people of Wanganui via revenue to offset rates	6.5% Return on Investment

Council proposes that total rates (excluding metered water, trade waste and penalties) will not be more than 75% of Council's total income. Council proposes an increase of total rates income to Council from all existing ratepayers of no more than the local government inflation rate plus 2% plus targeted rates for debt repayment and natural disasters

Companies and other entities that Council invests in are:

Company JV	Shareholding	Principal reason for investing	Budgeted return
Wanganui District Council Holdings Company	100%	Manage other investments	0
GasNet Limited	100%	Provide return on investment	\$1.5 million
Energy Direct Limited	100%	No longer an active trading company	nil
Wanganui Gas Limited	100%	No longer an active trading company	nil
Wanganui Airport Joint Venture	50%	Provide an essential service to the District	nil
Wanganui District Council Forestry JV	95%	Provide return on investment	Varies
Manawatu Wanganui Local	14%	Efficient service delivery and reduced costs	nil

Financial Strategy

Authority Shared Services Ltd			
New Zealand Local Authority Funding Agency	0.4%	Effective borrowings and Reduced interest costs	nil
New Zealand Local Government Insurance Corporation Limited	2.6%	Risk management	nil
Sarjeant Gallery Trust Board	100%	Support the Sarjeant Art Gallery	Nil
Whanganui and Partners Ltd	100%	Economic Development	nil
Wanganui River Enhancement Charitable Trust	33%	Health of the River	nil
New Zealand Master Games Limited	49%	Sport	nil
Wanganui Incorporated	100%	Educational / training / employment opportunities	nil
Whanganui Resource Recovery Centre Trust	40%	Manage and promote a resource recovery centre	nil

Infrastructure strategy

Please note that this strategy should be read in conjunction with the additional disclosure information in relation to the Civil Defence Emergency in our district over the weekend of 20-21 June 2015. This is contained at the front of Volume 1 of the 10-Year Plan 2015-2025.

Introduction

This Infrastructure Strategy sets out the infrastructure requirements to resolve current and potential future significant issues in the Wanganui District. It is an evolving part of the evidence base for the Wanganui District Council's long term planning.

The term 'infrastructure' encompasses not only the large physical networks and assets (such as transport facilities, water, utilities, solid waste), but also social infrastructure such as libraries, schools and healthcare facilities. This strategy, however, focusses on Wanganui's 'core' physical infrastructure: transport and the 'three waters' - water supply, wastewater and stormwater.

Wanganui is supported by a broad range of infrastructure networks based on pipes, reservoirs, dams, treatment plants, roads, footpaths, cycleways and other facilities. This infrastructure underpins Wanganui, protecting public health, by providing clean drinking water and ensuring our waste is removed and treated. It facilitates the movement of people and goods, enabling economic and social exchanges essential for the viability, public health and development of Wanganui as a community of the future. Infrastructure also protects our homes and businesses from flooding during storm-events, and in some localised areas, inundation from the sea and the river while working to reduce the harmful effects of urban activity on the natural environment.

Infrastructure assets are often costly to plan, purchase or build and most of our assets have long lifespans over which they must be managed and maintained. Technology is changing rapidly and there is little doubt that over the next 30 years innovation and new technology will continue to drive societal change and will open up new options for how we manage and build our infrastructure. Our planning for the future needs to ensure that we retain the flexibility to respond to challenges and utilise new technology to allow us to deliver the outcomes sought from our infrastructure in different and more cost effective ways.

This strategy will help ensure that our investment in infrastructure can achieve potential benefits as efficiently and effectively as possible. This will require coordination. This strategy aims to be a focal point for coordinating and integrating individual plans for individual assets and providing a coherent perspective across asset groups.

Infrastructure strategy

Purpose of the Infrastructure Strategy

The council operates within a legislative and regulatory framework that includes the Local Government Act, the Resource Management Act and the Land Transport Management Act, as well as other national standards and policy statements; these direct the way in which the Council invests in and manages infrastructure. The Local Government Act 2002 Amendment Act 2014, section 101B requires each local authority to prepare and adopt an Infrastructure Strategy as part of its long-term plan. The Infrastructure Strategy is to cover a period of at least 30 consecutive financial years. The purpose of the Strategy is to identify significant infrastructure issues, and options for managing them over the period covered by the Strategy.

In setting out how it intends to manage the city's infrastructure assets, the Council must consider:

- How it will respond to growth or decline in demand
- How it will manage the renewal or replacement of existing assets over their lifetime
- How planned increases or decreases in levels of service will be allowed for
- How public health and environmental outcomes will be maintained or improved and
- How natural hazard risks will be addressed in terms of infrastructure resilience and financial planning.

Aside from any legal requirements, the Infrastructure Strategy is a key planning document for Wanganui. Infrastructure is one of Council's most important functions and must be managed in the context of other strategic issues affecting the city.

By forecasting programmes and expenditure over 30 years, the Strategy:

- Identifies any significant cost items outside of the 10 year lifespan of the 10 Year Plan
- Identifies and addresses trends that are more relevant to the typical life cycle of infrastructure assets and
- Enables optimisation of investment across the various core services.

This is Wanganui's first infrastructure strategy. The Council's main planning tool for managing the city's infrastructure has been its asset management plans; one for each group of assets, covering the life cycle of the assets. The new Infrastructure Strategy provides a single, long term strategy for the entire core infrastructure assets combined; it is an overarching framework for the more detailed asset management plans.

Infrastructure strategy

Strategic Overview

PURPOSE STATEMENT

SUSTAINING *the safety and welfare of our community*

SUPPORTING *richness and opportunity through education, lifestyle and commerce*

PRESERVING *our exceptional heritage and infrastructure*

PROTECTING *our environment and awa*

Infrastructure strategy

WHANGANUI
LEADING EDGE



Deeply united



Globally connected



Powered by creative smarts



Flowing with richness



Works for everyone

Infrastructure strategy

Historic Context

The Wanganui region is the third oldest settlement in New Zealand. Its original discovery is attributed to Kupe, New Zealand's legendary discoverer. Tamatea, Captain of the Takitimu Canoe, fully explored the region, and soon after, attracted by the Whanganui River, Maori settlers came to the region.

Originally known as Petre, European involvement did not occur until 1831 when the first Europeans landed at the mouth of the river, with formal European settlement established in 1840. The official name change to Wanganui took place on 20 January 1854. The city can also be spelt 'Whanganui' which in Te Reo Māori (the Māori language), meaning "big bay or big harbour". The borough of Wanganui was formed in 1872 and city status was gained in 1924; it was New Zealand's fifth-largest, until 1936.

Wanganui District Council resulted from the 1989 amalgamation of Wanganui County Council, most of Waitotara County Council, a small part of Stratford County Council and Wanganui City Council. The district has an area of 2,373 km². Much of the land in Wanganui district is rough hill country surrounding the valley of the Whanganui River.

Apart from the main urban area, there are small rural settlements at Kai Iwi, Mowhanau, Fordell, Upokongaro, Maxwell and Mangamahu. Marae based settlements are at Kaiwhaiki, Pungarehu, Parikino, Atene, Koriniti, Matahiwi, Ranana and Jerusalem.

Over the decades, Wanganui has seen significant investment in ownership of infrastructure as can be seen below.

1880	Moutoa Gardens	1896	Cooks Gardens
1900	Wanganui Opera	1912	Dublin Street Bridge
1914	Virginia Lake	1915	Aramoho Cemetery
1917	Sarjeant Gallery	1922	Wanganui East Baths
1925	Memorial Tower	1927	Regional Museum
1927	Bastia Hill Water	1933	Alexander library
1936	Wanganui Airport	1940	Winter Gardens
1942	Durie Hill Elevator	1960	War Memorial Hall
1968	Municipal Building	1968	Town Bridge
1980	Davis Library	1982	Bason Conservatories
1989	Splash Centre	1992-5	Main Street
1998	New Water Reservoir	2003	Brunswick Water Bore
2007	Waterfront	2007	Treatment Plant
2008	Splash Extension	2011	Water Softening Plant

Infrastructure strategy

Geographical Context

The Wanganui District is on the south-west coast of the North Island facing the Tasman Sea, south of Taranaki and Ruapehu regions, and north of Manawatu.

This area is known for Maori culture, heritage, and the Wanganui National Park and river activities. The District takes its name from the city of Wanganui, which rests on the banks of the Whanganui River.

The landscape consists of coastal dune-lands, lowland marine terraces and young steeply dissected inland hill country with deeply incised rivers and narrow valleys.

The Whanganui River is at the heart of the Wanganui district. It is the second largest river in the North Island, the longest navigable waterway in the country and covers 290 kilometres from the heights of Mt Tongariro to Wanganui's coast with the Tasman Sea with 239 listed rapids.

The coastal lowland areas are marine terraces separated by old sea cliffs, resulting from a series of uplifts. Rivers and streams have cut deep valleys into these surfaces. The Whanganui and Whangaehu Rivers and their main tributaries flow in a general southerly direction.

A belt of sand dunes lies along the coast. In places, fossil dunes extend up to 7 kilometres inland, overlying parts of the marine terraces and blocking streams to form a chain of small shallow lakes. Northwest of

the city a 45 metre high cliff extends along the coast fronted by a wide sandy beach.

Coastal, terrace and river valley landscapes are largely rural in character, dominated by mainly pastoral farming. Further inland, especially to the northwest, there is a much greater proportion of scrub and forest cover. This indigenous vegetation cover has been retained due to the steepness and proneness to erosion of the slopes in these areas.

Infrastructure strategy

Demographic Context

At the 2013 census, the District had a population of 42,153 (a decrease of 486 people from 2006) with the largest urban area being Wanganui city. The District's population was growing slowly until the 1996 census and has been declining since that time.

In 2013, there were 11,127 families in Wanganui. The distribution of family types here differed from the rest of the country, having fewer couples with children and more one-parent families (Census of Population & Dwellings, 2013).

Wanganui District has a changing population distribution since the 1996 census. There is a clear trend which points to an increasing aging population (50+ years) and a decreasing younger population (0-39 years). There is a slight increase in the 20-29 years band in 2013. In 2006, half of the Wanganui population (51%) was under the 40 year age bracket. Projections for 2011 had indicated that over half the population (51.6%) would be aged over 40, however in the 2013 census this had dropped to 47%. In 2013 a quarter of Wanganui's population (25%) were aged over 60 years.

Overall adult residents of Wanganui had a lower personal income in 2013 than New Zealanders as a whole (\$23,500 compared with \$28,500). This results in Wanganui residents being over-represented in the income bands below \$40,000 and under-represented in bands above \$40,000.

Median income for families was significantly lower in Wanganui at \$43,800 compared to the then national average of \$72,700.

Growth and Demand

Given the above and the findings from census and statistical analysis, it is clear that there would be little to no growth, unless steps are taken in the district in the foreseeable future. Notwithstanding this, it is very clear that there would be a demand for increased levels of service from these asset groups - and this is reflected in the proposed capital budget.

The current strategy for dealing with new development outside the residential zone (as a result of population dilution) focuses on optimising the existing Infrastructure by promoting the use of off-peak wastewater disposal, and on-site stormwater attenuation. This means no significant downstream infrastructure upgrades would be required, and are not included in the proposed budgets. Access Roads will be required to be provided by developers during sub-divisional stages.

Infrastructure strategy

Environmental Sustainability

Our environment is an essential part of our identity, our economy, and the way we live. However, urban development and the age and quality of our infrastructure can have a detrimental effect on our natural environment and on public health; for example, breakdowns or failures in the wastewater network could have a detrimental effect on the environment.

It is acknowledged that the detrimental effect of our wastewater to the environment needs to be addressed, and to achieve this, a significant upgrade to the Wastewater Treatment Plant is included in the strategy. Trade waste forms a large component of this waste, and the Trade waste bylaw will be reviewed and restructured to fit within the allowable limits to enable Council to comply with its resource consent limits.

Operational procedures and construction activities are some of the areas which potentially pose the most risk to the environment, and Council has specific environmental management plans and procedures developed for each project or contract on a case-by-case basis and monitored by our terrain-engineers. Examples of these are silt-control, fuel-spill containment, and recycling renewable resources like concrete and asphalt where practicable.

We rely on a large network of natural waterways as part of our stormwater network to facilitate drainage of stormwater runoff during rain events. In many cases, these waterways exist on private land, and needs to be kept free of obstructions as per section 511 the Local Government Act. Council will be applying the provisions of its

Stormwater Policy adopted in 2014 to ensure that watercourses are managed to best practice standards, and maintained free of obstruction. This practice will benefit the overall health of our urban waterways in the mid to long term. Integrated Catchment Management and our Healthy Streams Wanganui Initiative are key drivers to achieve this outcome – and have been aligned with the direction given through the Crown’s settlement with our local Iwi on the Wanganui River.

Council also partners with Horizons Regional Council’s consents teams, engineering teams and water quality teams to ensure collaboration on various projects to achieve mutually beneficial outcomes for both customer bases – a good example being our Healthy Streams Wanganui initiative where several natural waterways have been and will continue to be rehabilitated through planting initiative and improved fish passage construction.

Council also maintains several consents it holds for its activities where it potentially impacts on the environment – some examples being archaeological authorities and resource consents.

Climate Change and Natural Hazards

Climate change will have a direct impact on many elements of Wanganui’s core infrastructure in the future. Changing weather patterns, increasing unpredictability of rainfall, more extreme and intense storm and other weather events, temperature changes and sea level rise will require an adaptive risk management approach. Wanganui’s infrastructure management will need to be increasingly responsive in its approach. To this end, design standards allows for climate change by

Infrastructure strategy

specifying the forecasted rainfall intensities to be used when designing stormwater Infrastructure.

Natural hazards such as earthquakes, floods, tsunami and landslides have the potential to seriously affect all of Wanganui's infrastructure networks – potentially creating breakdowns within service delivery networks, and disrupting service delivery, and force premature renewal of assets. The challenge is to identify the most effective ways to increase the resilience of the infrastructure to create an acceptable level of risk, while still being affordable for ratepayers. The current strategy to deal with these risks are to ensure that best practices and standards in terms of design and construction of infrastructure is followed, that there is sufficient financial provision for the repair of critical assets through adequate insurance for reconstruction if damaged during a major event, and that emergency response plans for these eventualities are in place and kept up to date.

The asset criticality hierarchy also gives a clear level of priority for structural repairs based on service continuity. In some cases, redundancies within the network ensure asset resilience and continuity of service (e.g. 3 bridges across the river) but in other cases, such redundancies would be uneconomical (e.g. having a second main Wastewater Pump Station at Beach Rd) and would need to rely on reconstruction responses within the criticality hierarchy.

For more detailed discussions, the Risk Management sections of the AMPs can be referred to.

Infrastructure strategy

Significant Assumptions

This Strategy has been prepared on the basis of the following assumptions:

- Costs in the Infrastructure Strategy have been modified to reflect a nominal inflation adjustment as per the financial strategy. There is a low level of uncertainty of this assumption in years 1-3, and a medium level of uncertainty in years 4-30. The implications of this uncertainty would be that inflation adjustments would need to fluctuate on a year-on year basis to compensate, or that level of service would need to be adjusted to suit.
- The corporate population growth forecasts are accurate with a low level of uncertainty, with no to very little growth forecasted over the long term.
- Notwithstanding the flat growth forecast, there are strong indications from the customer base that there will be a demand for higher levels of service from certain infrastructure asset groups, as outlined for each activity under section 12. There is a low level of uncertainty around this assumption.
- Average life assigned to asset component meets industry expectations. There is a low level of uncertainty around this assumption based on historical observations.
- Data in Asset Registers are accurate. There is a high level of uncertainty around this assumption, based on some comparisons of data against actual as-built and/or field observations. The potential effects of this uncertainty is that asset replacement values, remaining useful lives, condition and performance could be inaccurate, which could significantly increase or decrease the costs to manage those assets. The improvement and maintenance of Asset Data would need to be targeted through operational procedures throughout the 30 year period of the strategy, with the outcomes of the strategy to be reviewed as and when new information becomes available.
- Assumes the benefit of continuity of tenure and rights of existing use. There is a low level of uncertainty around this assumption based on historical observations.
- Assumes that existing resource consents will be renewed upon expiry. There is a high level of uncertainty on this assumption, as observations shows that resource consent renewals historically have incrementally increased the onus on the consent holder. The effect of this would be that the revised consent conditions would demand an even higher level of service for that specific activity would be required, which would demand additional capital investment to increase that level of service.
- Assumes drilling new production water bores will strike water with sufficient flow to replace existing bores. There is a high level of uncertainty around this based on previous observations, and the fact that no test-holes are yet to be bored in the target area yet. The potential effect would be that test-holes on initiation of this project show bore development to be unfeasible, and the project either abandoned or relocated to a new target area with additional expenditure to be approved.
- Current design standards, environmental requirements and practices will not have significant changes over the forecast period. There is a high level of uncertainty around this assumption, as historical observations have shown that design standards and environmentally incrementally changes over time

Infrastructure strategy

to put a higher demand on certain asset groups. (E.g. new earthquake design standards). The potential effect of this uncertainty is that the revised standards will put an additional demand on the asset group, which would need additional capital expenditure to implement the increased level of service.

- Climate change is linear. There is a high level of uncertainty around this assumption. The potential effect would be that an exponential increase in climate change would put significant pressure on the performance of certain asset groups (e.g. Stormwater infrastructure) which would demand a higher level of service from these assets, and would need to be addressed through increased capital investment in these asset groups.
- Other than baseline growth, the only significant change to operating costs is expected to be the impact of the rebuild of the Wastewater Treatment Plant. There is a low level of uncertainty around this assumption, based on historical information and operational budgets, however there is a high level of uncertainty around what these costs will be. The potential effect of this will be that the actual construction of the new WWTP would be delayed until such a time as sufficient information and design confidence has been achieved in order to have a low level of uncertainty in the actual ongoing operational costs.
- NZTA funding will remain unchanged for years 1-3, with a low level of uncertainty. There is a high level of uncertainty around the available level of funding for years 4-30. The potential effect of this would be that Council would need to decide whether or not it will be funding the shortfall for Level of Service to remain unchanged. Should this not be the case, the Levels of Service for the Roading Activity would need to be decreased to match the

funding shortfall. It is expected that uncertainty will decrease over the next 2-3 years as NZTA announces its funding objectives for years 4-30.

- There is a change in Lifecycle management as outlined in the Asset Management Plans and summarised in section 13 of this strategy, which rejects the traditional age-based model and adopts a model directing asset renewals based on a combination of asset condition, criticality and asset performance. There is a low level of uncertainty around this assumption.

Significant Decisions

Two major infrastructure related decisions have been identified for Council over the course of this strategy. These would be:

- Council has an option to fund any shortfall should NZTA funding not be made available as has been identified. (High level of uncertainty around the availability of NZTA funding) The extent of this cannot be estimated until NZTA has made a decision on the level of funding they would be prepared to provide. The key Levels of Service as outlined in section 12.1 may need to be reviewed at such a time, in order to allow Council to decide the level of funding it wishes to provide towards any shortfalls. The timing of this decision is likely to occur within the next 2-3 years, and the cost of this decision could potentially be up to 65% of the total roading budget. There is a high level of uncertainty on NZTA's level of funding support, with the timeframes and potential effects discussed in sections 10 and 12 of this strategy.

Infrastructure strategy

- Decision to construct the upgrade to the Wastewater Treatment Facility – in March 2016 our Council confirmed that it would build a new wastewater treatment plant, designed by Cardno. The new build follows the failure of the previous plant which was built in 2007. Although the Cardno design was approved in June 2014, we put the build on hold in December 2014 due to potential unaffordability for our community and uncertainty about the amount of sludge produced, as well as the method and cost of its disposal. It is anticipated that the project will cost \$41.2M, including an allowance for inflation over the 2016/17 and 2017/18 years. With a guaranteed maximum price for the construction of the new plant to be negotiated, taking into account actual changes in inflation and the exchange rate and the inclusion of the sludge dryer, the estimated cost is likely to change. The plant is expected to be operational from 2018/19 with the dried sludge to be disposed to the onsite settling pond for the first three years, and then being spread to land.
- We have been conservative in preparing our 10-Year Plan and while our Asset Management Plans have been the basis for forecasting our future capital replacements there are potentially some financial risks that fall outside the scope of asset management planning.
- Such items include major asset failures or Central Government policy changes. In addition, projects requiring new capital expenditure in the latter period of this Plan may not have been identified or there may as yet not be enough information to have a robust debate around their merits versus their cost.
- Therefore, we have included \$16M of unallocated capital expenditure in Years 6-10 of this Plan. This is not a commitment

to spend this money; rather it is an acknowledgment that in the future it is likely there will be some robust projects that the community values and there will be some related cost.

Infrastructure strategy

Overview of Infrastructure Assets

Council currently owns and operates the infrastructure assets outlined in this Strategy. Although most of the field works are undertaken by private contractors, the overall responsibility for service delivery rests with Council. This Strategy assumes that the current ownership/operating model in use by the Council will continue through the next 30 years.

Roading and Footpaths

Wanganui's Roading activity is one of the District's most valuable assets, with a replacement cost of \$609 million. It includes 75 bridges, 279 retaining walls, 5,712 street lights, 10 traffic signals, 541,654m² footpaths, 4,660,887m² pavements, 16,000 assorted street furniture, signs and culverts.

Data on road condition is collected through the carrying out of road roughness and condition rating surveys. Road condition is monitored throughout the year by Council's maintenance contractors by way of an Alliance contract. The average condition grade for Roading assets is fair.

Funding for this activity is primarily received from rates, plus financial assistance from the New Zealand Transport Agency.

Criticality assessments on the roading network has shown that there are sufficient redundancy in the network for there to be no high criticality assets (e.g. if Dublin St Bridge needs closing down/decommissioning

then there are still two more bridges in the urban area guaranteeing uninterrupted service.)

The key performance measures for this activity have been aligned with the guidance documentation issued by the Department of Internal Affairs. There are three key levels of service set for this activity, which are tracked by a number of key performance measures in the Asset Management Plans. These levels of service are:

- The provision of a safe and secure local roading network
- That the local authority roads provide a smooth travel experience
- A local road corridor network that meets the needs of the users

A demand from the customer base for increased levels of service is anticipated under this activity, with a number of specific projects for this budgeted for over the 30 year period in the Asset Management Plan (e.g. Heads Rd Roundabout(\$1.4million), Dublin St Bridge Replacement(\$33.3million), Wakefield St Bridge Replacement(\$1.9million), Mosston Rd and Montgomery Rd Reconstruction(\$15.5million collectively).

Water Supply

The Council's Water Supply activity, which includes an urban water supply to Wanganui and rural schemes serving Fordell, Maxwell, Mowhanau and Westmere, has assets with a replacement cost of \$152 million. This includes 9 bores, 6 treatment plants, 29 reservoirs, 16 pump stations, 2,826 valves, 2,060 hydrants and 516 kilometres of pipeline. The average condition grades for water supply assets ranges from fair to very good. This shows that the water supply network is

Infrastructure strategy

being maintained in a sustainable manner. The lifecycle for Water Supply assets range from 20 years for water meters through to 110 years for PVC pipes.

The water supply activity supplies, on average, 27 million litres of water each day, and is funded by a combination of rates and user charges.

Critical Assets for this discipline are currently listed as

- Kai Iwi Supply Bores No 1,2 and 3
- Reservoirs No 1,2,3
- Kai Iwi Supply Main (15 kilometres)
- Castlecliff Main (5 kilometres)
- Trunk Mains
- Mains servicing Critical Users

The key performance measures for this activity have been aligned with the guidance documentation issued by the Department of Internal Affairs. The key levels of service are:

- Provide a reliable water supply
- Provide water consumption management
- Provide safe potable water

There are minimal changes to Levels of Service foreseen for this activity, which can be achieved within existing operational budgets. All capital upgrades in the Asset Management Plan having been allocated to renewals.

Stormwater Drainage

Flood protection and control in the district is the mandate of Horizons Regional Council, and not a service provided by Wanganui District Council. The last of WDC's historical flood protection assets have been transferred to HRC in 2014 for amalgamation into the Lower Whanganui River Flood Protection Works. There are some minor functionality provided by Wanganui District Council in support of the Regional Council. Expenditure forecasts for water and natural drainage has been outlined as a separate activity, but is nevertheless managed by, and within the same strategic context as, the Stormwater Activity.

The Council manages and operates this Stormwater infrastructure ensuring that stormwater flows are managed cost-effectively and adverse impacts on public health and safety, the environment, public and private property and the economy are reduced. The stormwater network includes sections of open drains and natural waterways, as well as stormwater pipes. The water quality of our waterways, lakes and river are particularly related to stormwater and land management practices.

The bulk of Council's Stormwater assets are located in the Wanganui urban area, with some Stormwater assets located in Marybank and Mowhanau; they have a replacement cost of \$156 million. These assets include 3,374 manholes, 34 valves, outfalls with a total length of 2,932, and 160 kilometres of pipeline. The current available data shows the average condition grades for Stormwater assets range from good to very

Infrastructure strategy

good. This shows that the stormwater network is being maintained in a sustainable manner.

This activity has assets with lifecycles ranging from 50 years for valves through to 115 years for MDPE pipes.

The Stormwater activity is funded out of the Council's targeted rate.

Critical Assets for this discipline are:

High Criticality	5%
Medium Criticality	14%
Low Criticality	13%
Very Low Criticality	67%

Detailed asset numbers and locations for these criticality groups are recorded in the Asset Register.

The key performance measures for this activity have been aligned with the guidance documentation issued by the Department of Internal Affairs. The key levels of service are:

- Ensure a safe and operational stormwater drainage network for design events.
- Monitor flood warnings and respond promptly during emergency management of flooding events

The true technical levels of service for this activity have historically been poorly defined. Council has completed a set of new hydraulic and criticality models for the Stormwater network in 2014. Early indications are that the return periods that are serviceable through the primary network are relatively low, and would need improvement over the long term. A combination of strategies will be used to achieve this, which ranges from Integrated Catchment Management Plans, surface attenuation using low impact development and storage, and ensuring well defined overland flow paths as a secondary system. The condition of our natural waterways has also been identified as a potential issue, with the available data not being very reliable. This will need to be addressed from a level of service point of view, mainly through our Healthy Streams Whanganui initiative.

The remaining section of the public network in Gonville West also needs to be completely separated, as it is currently serviced by a combined sewer system.

A total of \$20.2 million is allowed for over the 30 year period in the Asset Management Plan for Level of Service improvement.

Wastewater

The Council manages and operates the Wastewater infrastructure ensuring that wastewater flows are treated to a standard set by the

Infrastructure strategy

relevant resource consent limits. The Wastewater activity treats, on average, 25 million litres of wastewater a day.

The Council's Wastewater services, which include an urban wastewater system servicing the city of Wanganui and two rural systems serving Marybank and Mowhanau, have assets with a replacement cost of \$282 million. This includes 4,727 manholes, 35 pump stations, 3 treatment plants and 279 kilometres of pipeline.

The current available data shows the average condition grades for wastewater assets range from good to very good. This shows that the wastewater network is being maintained in a sustainable manner.

This activity has assets with lifecycles ranging from 15 years for communication equipment through to 100 years for manholes and pipes. This activity is funded from the Wastewater targeted rate (pan tax) and trade waste fees.

Critical Assets for this area are:

Wastewater Pipes

High Criticality	4%
Medium Criticality	16%
Low Criticality	14%
Very Low Criticality	66%

Wastewater Pump stations

High Criticality	14%
Medium Criticality	31%
Low Criticality	34%
Very Low Criticality	21%

Detailed asset numbers and locations for these criticality groups are recorded in the Asset Register.

The key performance measures for this activity have been aligned with the guidance documentation issued by the Department of Internal Affairs. The key levels of service are:

- Provide a convenient, safe and reliable wastewater system
- The adverse effects of Wastewater on the environment is negated by complying to discharge consent conditions

Council has set key performance measures to track and demonstrate successful delivery of these key levels of service.

A significant issue at the moment is that due to large influx of stormwater into the wastewater system, the system is not contained at all times. A key decision would need to be made as to the annual return interval Council wishes to adopt for containing the system – as a technical level of service measure. There is currently insufficient

Infrastructure strategy

information available to make this decision, but this is expected to be addressed within the next 2-3 years for further considerations.

Increased levels of service are anticipated for this activity over the next 30 years, with the Wastewater Treatment Plant to be upgraded by capital investment in order to protect the environment by compliance to discharge consents, influx of stormwater sources to be identified and isolated or contained to the selected annual return interval.

A total of \$42.7 million has been allowed for in the Asset Management Plan over the 30 year period to address these required changes in Levels of Service.

Asset Management Planning Context

WDC Infrastructure currently has four discipline specific Asset Management Plans (AMPs) – one each for Roading, Water, Wastewater and Stormwater. These Plans have been prepared in conjunction with the 30 Year Infrastructure Strategy.

The Strategy relies on data and information contained within the AMPs, and identifies information deficiencies in the AMPs. Responses for rectifying these deficiencies have been identified, and are scheduled to be commissioned as projects in the 10 Year Plan. The outcomes of these responses will be used to update both the Infrastructure Strategy and Financial Strategy.

For this reason, both the Strategy and the AMPs represents only a “snapshot” in time; in reality they will be changing continually as information deficiencies are addressed, and integrated back into these documents.

The Asset Management Plans deal in detail with sub-activity information on Council’s asset-base.

The lifecycle of the assets will be managed with the view to optimise the usable life of the asset for the best value for money approach. In general, assets will be ranked in terms of criticality. Consequence of failure would be determined against a set of criteria set for each asset group. Likelihood of failure would be initially assumed based on the known age, asset performance (from physical modelling) and assumed condition of the asset. Risk of failure would be calculated as the product of Likelihood and Consequence of failure. The results will be used as a scale of priority for condition surveys to be completed. The likelihood of failure would be revised based on the findings of the true condition of the asset.

Critical asset groups will be managed proactively, with regular asset condition and performance surveys, and continuous minor repairs scheduled in order to maintain condition and performance these. Non-critical assets will be run to failure, and then replaced/renewed. This approach will effectively manage Council’s risks, ensure an

Infrastructure strategy

uninterrupted service delivery, ensure a best value for money approach, and ensure optimisation of the remaining useful life of the holistic asset base. Disposal of assets will be done in a sustainable manner where possible, with recyclable materials reused elsewhere, or made available through resource recovery centres, or disposed of at consented landfills.

A variety of techniques are available to each asset-base and would be selected on a case-by-case basis based on a best value for money approach (e.g. re-lining of underground infrastructure, re-sealing of roads, replacement of kerb and channels, trenchless drilling of new water infrastructure etc.)

Infrastructure has a team of technical staff who remains up to date with these technologies and best practices.

One of the key issues identified in this strategy is that wastewater levels of service are currently poorly defined for the district. The philosophy adopted for this issue by this Strategy is to focus on total containment of wastewater during wet weather events, to provide 24 hour a day service to the residential zone by gravity connection, and to comply with the performance measures adopted from the DIA guidelines for Local Governments.

For in depth discussions on this topic, the discipline specific AMP's can be referred to.

Significant Infrastructure Issues

The overarching infrastructure issue facing Wanganui over the next 30 years is how to respond to the various demands on infrastructure given the funding constraints we face. Our response needs to take into account the long-term perspective and align across infrastructure types. The tables on the following pages summarise our significant infrastructure issues, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response.

The risk management processes used by Council are consistent with the Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. A full description of the risks identified in the table below can be found in Council asset management plans for each activity area.

Infrastructure strategy

Wastewater		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Resilience – The wastewater Infrastructure asset condition and system performance is not accurately captured at present. 	<ul style="list-style-type: none"> Use criticality model to highlight reticulation assets in poor condition after CCTV surveying List of assets in poor condition prioritised for 30 year capital upgrade programme Use all aspects of the asset condition and performance work will be used to prioritise the replacements over the 30 year period. 	<ul style="list-style-type: none"> Completion of this work will result in a prioritised list of assets to be upgraded to ensure continuity of service. A higher level of capital funding may be required over the next 30 years. Failure to comply with the prioritised replacements may increase the risk of network failures and could ultimately have a negative impact on the level of service.
<ul style="list-style-type: none"> Due to a high influx of stormwater in the Wastewater system, the system is overloaded during wet weather events. 	<ul style="list-style-type: none"> Specify what the WDC level of service is in terms of annual return intervals for wastewater containment, and understand what the implications of this LOS will be . Decide to retain status quo LoS, or if an improved LoS is desired. Use hydraulic models to highlight any areas where network capacity is an issue. 	<ul style="list-style-type: none"> A higher level of capital funding may be required over the next 30 years if under serviced areas are identified. The extent and timing of this is currently unknown, and dependant on several scenarios. There is a high level of risk as the number of assets requiring upgrade is unknown at this point. Therefore the capital requirement is also unknown.

Infrastructure strategy

Wastewater		
Resilience & Levels of Service Issues	Principal options for response	Implications
	<ul style="list-style-type: none"> • Create by analysis a list of assets under-performing to be prioritised for 30 year capital upgrade • Create by analysis a list of areas not achieving the level of service to be prioritised for capital upgrade 	<ul style="list-style-type: none"> • Renewals planning would improve if the WW Level of Service is better defined.
<ul style="list-style-type: none"> • The Wastewater Treatment Plant process failed and all wastewater is discharged to the ocean. 	<ul style="list-style-type: none"> • An increased LoS is required in order to protect the environment by complying with discharge consent limits. • Design and construct a new treatment plant. • The new WWTP will have to treat all trade waste and domestic waste. • Capital and operation costs must be affordable to the community and industry. • \$41.2 million has been included in budgets for capital upgrade in 2016/17 and 2017/18 	<ul style="list-style-type: none"> • Large capital spent to construct the new plant. • It will be a long process to agree on the most suitable design for the new plant. • During this time WDC will have to discharge to the ocean and will need to apply for a short term Resource Consent.

Infrastructure strategy

Wastewater		
Resilience & Levels of Service Issues	Principal options for response	Implications
	<ul style="list-style-type: none"> Operational Costs has been identified and included in 2018/2019 Reviews on sludge handling could impact positively on the operational costs and affordability. Should the plant turn out to be unaffordable, this is not the case, Council would need to decide to abandon the current design and look at alternative ways of handling the city's waste. 	
<ul style="list-style-type: none"> Trade waste charges and monitoring systems are causing many disagreements between WDC and large industry. Not all sources of load contributing to the treatment plant are currently being charged for treatment costs. The current trade waste bylaw of 2008 does not contain enough detail to allow for the proper management of trade waste discharges into the public system. 	<ul style="list-style-type: none"> WDC in conjunction with all contributors of trade waste will create a new trade waste charging model. This will be a collaborative process with agreement from all parties Identify all contributors to the system and how they will be monitored and charged. This includes sectors such as second tier trade waste industries and septic tank effluent. 	<ul style="list-style-type: none"> The cost to industry or domestic users might increase substantially The cost of treatment will be spread in a fair and consistent way with all contributors paying for their portion of the load. Trade waste management will improve. The contents from the grease traps will have to be permanently removed from the system and not reintroduced at Beach Road pump station. This will

Infrastructure strategy

Wastewater		
Resilience & Levels of Service Issues	Principal options for response	Implications
	<ul style="list-style-type: none"> A new grease trap maintenance programme will be created to remove fat oil and grease from the network to protect the network from maintenance problems. The trade waste bylaw will be updated before completion of construction of the new treatment plant 	<p>increase the cost of grease trap maintenance for the owners.</p>
<ul style="list-style-type: none"> Some sections of the wastewater network that needs replacement is in inaccessible areas such as private gardens and or under buildings. Replacement of wastewater pipes becomes expensive and challenging in areas where the lines are very deep. 	<ul style="list-style-type: none"> In areas where the wastewater lines are inaccessible or deep WDC will make use of relining the pipes rather than replacing them 	<ul style="list-style-type: none"> By relining the pipes and additional 50 years life is added to the asset at a cost effective rate. We do not have to spend additional capital on garden rehabilitation or large excavations to reach deep pipes.
Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Projected Growth forecasts for this activity is minimal 	<ul style="list-style-type: none"> When the sections of network that are undersized or at capacity are identified by the wastewater models, a decision will be made as to the most cost 	<ul style="list-style-type: none"> Capital upgrade required

Infrastructure strategy

Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Analyse the wastewater network to supply sufficient capacity to service future development and growth as needed. Parts of the wastewater network are overloaded by stormwater influx during wet weather events. These capacity issues are causing wastewater spills from the system, and as a result no further gravity connections can be allowed to the existing network until this issue has been addressed. 	<p>effective way to resolve the capacity problems. This will include strategies such as removing inflow and infiltration for the system, replacing the pipe with a larger pipe or a combination of the two. The goal would be to ensure that the system will be able to contain all the wastewater in the network and not to allow for any spills under any conditions.</p> <ul style="list-style-type: none"> Wastewater network to be upgraded subject to hydraulic model analysis The criticality model will be used to prioritise the upgrade of the network. Allow off-peak wastewater pumping in isolated instances to allow minor development to continue, without requiring large capital upgrades to the downstream network 	<ul style="list-style-type: none"> Once the level of service is clearly defined the capital expenditure for the upgrade of the network will increase.

Infrastructure strategy

Stormwater Drainage		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Lack of data on technical level of service(e.g. what storm event can be serviced through our network?) Renewals programme based on age only, and not on asset performance or true condition Historically deferred renewals not well understood. 	<ul style="list-style-type: none"> Data review through CCTV inspections on our critical assets Build hydraulic models to simulate the network, and use this to identify underperforming assets Establish true technical level of service Analyse system performance levels Improve system performance by applying an integrated approach, using strategies such as capacity augmentation, low impact development, attenuation, daylighting of culverts, and diversion of overland flow paths. Encouragement of urban designers to utilise practices such as Low Impact Development to create 	<ul style="list-style-type: none"> Renewals initially on hold, and funds accrued whilst the data review and modelling is underway Renewals to gain momentum as updated information become available from models, CCTV inspections, surveys. Proposed upgrades validated by hydraulic model before physical implementation takes place. Accrued funds spent where best value for money will be achieved
<ul style="list-style-type: none"> Overland flow paths as a secondary system not well mapped, planned or understood. 	<ul style="list-style-type: none"> Overland flowpaths mapped for various contributing catchments 	<ul style="list-style-type: none"> Private property in some locations would intersect the overland flow path Flow path diversions can be analysed

Infrastructure strategy

Stormwater Drainage		
Resilience & Levels of Service Issues	Principal options for response	Implications
	<ul style="list-style-type: none"> Outcomes used overlaid with hydraulic model of the primary network to understand risk and implications of secondary levels of service 	
<ul style="list-style-type: none"> Observations of high Inflow and Infiltration of stormwater into the wastewater network, but the sources are not well understood. 	<ul style="list-style-type: none"> Flow monitoring to identify and prioritise problem catchments Inflow and Infiltration Investigations to identify rectifications Inflow and Infiltration reduction targeted where system performance can also be improved 	<ul style="list-style-type: none"> Middle to long term improvement of level of service Non-compliant property-owners engaged to address issues within private property boundaries.
<ul style="list-style-type: none"> Obstructions within waterways can cause flooding either up or downstream – often over private property where waterways forms a major portion of the stormwater system. 	<ul style="list-style-type: none"> New Stormwater Policy in line with Local Government Act provisions has been adopted and implemented. The “Healthy Streams Whanganui” initiative informs and encourages landowners to take ownership of privately owned waterways, and enhance its characteristics and proportions in line with best practices. 	<ul style="list-style-type: none"> Improved resilience and system performance of stormwater system during rain events. Improved quality of natural habitat and water quality

Infrastructure strategy

Stormwater Drainage		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Loss of natural waterways in the urban area through inappropriate design practices during sub-divisional stage. 	<ul style="list-style-type: none"> The “Healthy Streams Whanganui” initiative informs and encourages landowners to take ownership of privately owned waterways, and enhance its characteristics and proportions in line with best practices. Encouragement of urban designers to utilise practices such as Low Impact Development to create 	<ul style="list-style-type: none"> Improved resilience and performance of stormwater system during rain events. Improved quality of natural habitat and water quality Improved urban environment and amenity value
<ul style="list-style-type: none"> Increased velocities and reduced time of concentration as a result of waterway degradation. Poor habitat for indigenous fauna and flora. 	<ul style="list-style-type: none"> Day-lighting of culverts Multi-use of urban recreational spaces and the transport corridor to provide peak-time attenuation during heavy rain-events The “Healthy Streams Whanganui” initiative informs the public on waterway enhancement practices, low impact development and clawback of habitat for fauna and flora. 	<ul style="list-style-type: none"> Improved resilience and performance of stormwater system during rain events. Improved quality of natural habitat and water quality Improved urban environment and amenity value Best value for public money in the long-term

Infrastructure strategy

Stormwater Drainage		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Stormwater drainage in some lower lying areas in the Heads Rd Industrial area are under pressure during storm-events, caused by proximity/elevation relative to the Whanganui River. 	<ul style="list-style-type: none"> Augmentation of capacity in system Heads Rd streetscape renewal from Gilbert St West to Gilbert St East to provide buffering during storm events. Urban design to use strategies like low impact development, grassed swales, low-depression kerb-side attenuation. Over pumping options 	<ul style="list-style-type: none"> Improved resilience and level of service over the mid to long term for Wanganui's industrial hub
Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Lack of understanding where the network has capacity for further development through re-zoning. Initial modelling outcomes indicate limited capacity within the primary urban network. 	<ul style="list-style-type: none"> Data review through CCTV inspections on our critical assets Build hydraulic models to simulate the network, and use this to identify available capacity in the network Use revised data to programme capital upgrades and determine development contributions 	<ul style="list-style-type: none"> Any re-zoning to be put on hold until information on infrastructure capacity is available Areas for greenfield development to be identified by Council for future infrastructure upgrades New greenfield development to be hydrologically neutral

Infrastructure strategy

Growth / Decline Issues	Principal options for response	Implications
	<ul style="list-style-type: none"> Augment capacity for new development areas, using capital contributions 	
<ul style="list-style-type: none"> Flat growth curve forecast for district. 	<ul style="list-style-type: none"> Proactively planned maintenance on existing assets through condition assessment analysis Ensure Hydrological Neutrality is achieved in localised new development, which won't require any large capital upgrades to the downstream networks. 	<ul style="list-style-type: none"> Requirement to generate an optimised renewals program Requirement to spend bulk on funding on upkeep of critical assets New areas for development to be identified and analysed through the new models to establish cost of providing the service.

Water Supply

Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Kai-Iwi No 1 Bore supplies bulk water to Wanganui city. This Bore is failing because of high levels of sand content limiting its flow from the bore. Kai Iwi No 3 is failing because of high amounts of sand and structural condition of Bore well. 	<ul style="list-style-type: none"> Drill one new bore within the next two years (2016-2017) located next to Kai Iwi School. Drill new Bore location the bottom of the Goat Valley (2021-2022). Drill second Bore within 10yrs. (2020-2030). 	<ul style="list-style-type: none"> Capital expenditure required for each bore is approximately \$1.5 million. Not drilling new bores could severely reduce the supply of water to Wanganui. The probability of the risk occurring is considered to be moderate to high, with the severity of consequences being critical.

Infrastructure strategy

Water Supply		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Replacement of Kai iwi Bore 2 options for future location and development. 		
<ul style="list-style-type: none"> City reservoir is structurally failing and is due for replacement. It is one of three reservoirs that are required to hold capacity for the city's water supply. 	<ul style="list-style-type: none"> Demolish and replace No. 1 reservoir within the next three years (2015-2018). 	<ul style="list-style-type: none"> Capital expenditure required is approximately \$6 million. Not replacing the No.1 reservoir will reduce the city's water storage capacity from 3 days in summer to 2 days. This may also impact on firefighting capacity.
<ul style="list-style-type: none"> Section of the Kai-Iwi trunk mains are at the point of critical failure. Condition of pipe is low and consists of (spiral riveted) pipe in high pressure zones. 	<ul style="list-style-type: none"> Replace approximately 3 km of 558mm and 457mm trunk main between 777 Sh3 Kai Iwi and 654 Sh3 (2015-2022). 	<ul style="list-style-type: none"> Capital expenditure required is approximately \$0.9 million. Pipe failure will result in reduction in water supply capacity damage to major roading infrastructure and reduction in reservoir levels. The probability of the risk occurring is considered to be moderate to high, with the severity of consequences being high.
<ul style="list-style-type: none"> Approximately 3km of the Castlecliff water main requires replacement. It is a critical supply to industry with a 	<ul style="list-style-type: none"> Replace 1km of the high pressure water main from Tayforth Road to Belmont 	<ul style="list-style-type: none"> This is the main feed for major industries in Castlecliff. Pipe failure could result in loss of supply to

Infrastructure strategy

Water Supply		
Resilience & Levels of Service Issues	Principal options for response	Implications
significant number of failures on this section of supply due to structural condition of the pipe.	Golf Course. The budget for this work is approximately \$0.3M in 2016-2017.	industry. The probability of the risk occurring is considered to be moderate to high.
<ul style="list-style-type: none"> Castlecliff main only supply to major industries. Duplication of Castlecliff main to provide backup for continuous supply to industry. 	<ul style="list-style-type: none"> 2nd Link-Construct a 250mm pipe from Caversham Road along Mosston Road, linking with existing main in Mill Road. The Fitzherbert Avenue extension main can be connected to this new main. (2019-2024). 	<ul style="list-style-type: none"> Capital expenditure required is approximately \$0.7 million. This work will reduce the risk of water supply failure to the upper Castlecliff area and provide consistent water quality to industrial sites. It will also provide a secondary back up for Industry.
<ul style="list-style-type: none"> A large quantity of Wanganui's pipe work is spiral welded pipe which is in poor condition and limited life. Substandard pipework failing in the reticulation network because of poor installation. 	<ul style="list-style-type: none"> Replacement programme for all spiral welded pipe over the next 5-10yrs also look at internal lining of existing pipe work (aquatech lining) to be included in programme. Replacement programme for sections of the network that do not meet current specifications. 	<ul style="list-style-type: none"> Capital expenditure required is approximately \$1.7 million. Replacement programme will reduce the amount of failures in the current network and ensure uninterrupted supply to customers

Infrastructure strategy

Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> It is a requirement for rural consumers to have 24hr on-site storage. Rural storage capacity is less than ½ day during summer with rural demand increasing because of high usage from consumers. Power failures significantly high and no guarantee of continuous supply of power during emergency events. 	<ul style="list-style-type: none"> Increase storage capacity at Richardson road and Blueskin Road along with increasing pipe sizes to ensure customers at end of line are not disadvantaged. (Minimum 50mm). Linking Fordell to City network. Installation of 100mm pressure main from The City network to existing Fordell reticulation. Provide emergency generator as back up for emergency events. 	<ul style="list-style-type: none"> In the event of a long power failure or breakage, tanks will empty. The probability of the risk occurring is considered to be moderate to high. Significantly reduce supply to consumers during emergency events especially high users such as dairy farmers
<ul style="list-style-type: none"> Add new supply as backup to Fordell by providing link to city. 	<ul style="list-style-type: none"> Link Fordell to city mains supply. Lay 63mm main linked to existing Fordell main approx. 2km. 	<ul style="list-style-type: none"> Provide backup in emergency's for consumers on the Fordell scheme.
<ul style="list-style-type: none"> Minimal Growth forecast for the district. 	<ul style="list-style-type: none"> Maintain status quo on bulk supply. Optimise renewals program 	<ul style="list-style-type: none"> Renewals programme will reduce the amount of failures in the current network and ensure uninterrupted supply to customers

Infrastructure strategy

Roading and Footpaths		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Impact of current and future forestry traffic on particularly the rural road pavements will have a detrimental effect on pavements with substandard structure and geometry. The very fragile network condition is susceptible to sudden changes in usage e.g. additional traffic demand and loadings from changes in government legislation (HPMV and 50Max heavy commercial classification). 	<ul style="list-style-type: none"> Developing a pavement deterioration model using dTIMS which will assist in improving confidence as to assumptions made and assist in providing the evidence necessary to request additional funding from NZTA for future funding applications. Investigate options to obtain revenue from forest owners and transport operators. Place conditions via bylaws on the activity such that the effects are minimised. An example of this might be to limit forestry harvest during the winter months (when the effects of high moisture in pavement layers accentuates damage) and/or place designations of roads. 	<ul style="list-style-type: none"> A \$12.3 million capital expenditure shortfall between current funding levels and forecasted requirements will be required to maintain the roading network in its current condition over the 2020 – 2029 period. The strategy currently assumes this shortfall to be funded by Council from a combination of asset renewals and capital budgets, but should this not be forthcoming the levels of service on affected roads will need drastic revision. A decline in levels of service for all asset groups is the likely consequence in the event that additional funding is not secured and council is unable to fund for the maintenance and asset renewal from existing budgets.
<ul style="list-style-type: none"> The New Zealand Transport Agency (NZTA) has undertaken a review of Funding Assistance Rate (FAR) for all approved organisations. The FAR review was set up to assure NZTA that 	<ul style="list-style-type: none"> Consider all proposals for review, assess financial impact of scenarios and respond via submission document to NZTA the Wanganui District Council preferred position. 	<ul style="list-style-type: none"> A reduction in the FAR received by council will place council in the position of either making up the shortfall from local rates or reducing the roading budget and hence the amount of roading works

Infrastructure strategy

Roading and Footpaths		
Resilience & Levels of Service Issues	Principal options for response	Implications
<p>the way funding assistance rates are set and applied is valid and appropriate given the modern regulatory environment. NZTA has advised that WDC FAR will decrease from the present average level of 65% to 60% at 1% per year starting in 2015/16.</p> <ul style="list-style-type: none"> • Council will also be exposed to a greater financial risk from emergency events as the maximum NZTA FAR for these will decrease from 94% to 80%. • It is likely that during the life cycle of this 30-year long term strategy plan that further FAR reviews will be undertaken. • The NZTA 'One Network Classification' (ONRC) framework's functional criteria and tie in with Levels of Service and NZTA funding allocation is likely to adversely affect the Wanganui District Council due to 	<ul style="list-style-type: none"> • Any lowering of the Wanganui District Council FAR should be responded to in the strongest possible terms in the political arena. • Council has undrawn bank facilities which can be utilised as emergency funding when required. 	<p>undertaken. For example a 1% reduction in FAR represents approximately an additional \$125 thousand in local share required from rates.</p> <ul style="list-style-type: none"> • Asset Management Plans need to reflect NZTA's ONRC and resulting Levels of Service.

Infrastructure strategy

Roading and Footpaths		
Resilience & Levels of Service Issues	Principal options for response	Implications
<p>the low average traffic volumes in the District.</p> <p>While there will be a transition period 2015/18 when the funding allocation is expected to remain unchanged, the ONRC will be required to be fully embedded by road controlling authorities by 2018/19.</p>		
<ul style="list-style-type: none"> • Significant numbers of outdated street lighting lamps (fluorescent/sodium) and fittings. Risk of increased maintenance, power costs and outages in the long term. 	<ul style="list-style-type: none"> • Programmed replacement of existing lamps and fittings with Light Emitting Diodes (LED) when: • This is more economic than repair of faulty or damaged assets. • Faulty or damaged lanterns cannot be repaired because of obsolescence or replacement parts being obtained. • The existing asset does not meet current design/safety standards. 	<ul style="list-style-type: none"> • The replacement of the entire street lighting asset with energy efficient LED fittings would reduce power and operational maintenance costs by 50% and 65% respectively. • Upgrade the outdate network can be progressively rolled out progressively year-on-year and funded from existing budgets (Traffic services and minor improvements allocations) and is estimated to cost \$3.1 million and have a lifetime (20-years) savings of \$5 million, with payback in roughly 8 years.

Infrastructure strategy

Roading and Footpaths		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> • Mosston Road / Montgomery Road Reconstruction • Road carriageways are narrow and require widening to more safely accommodate increasing usage by HPMV's and other heavy commercial vehicles. Undertake strengthen works in conjunction to take additional loadings. • Safe provision for cyclists and pedestrians is important given the significant residential development. Any work completed needs to consider the dual function on the route. 	<ul style="list-style-type: none"> • Undertake reconstruction work to widen Mosston Road and Montgomery Road to WDC Urban arterial standard. (2025 – 2027) Property Purchase (2028 – 2030) Reconstruction 	<ul style="list-style-type: none"> • Capital expenditure to strengthen and widen these roads is estimated at \$15.5 million. • An increased level of maintenance expenditure to retain minimum levels of service would be expected if these works are not completed. • Accidents would be expected to increase from current levels. • Route efficiency opportunities will be lost.
<ul style="list-style-type: none"> • Wakefield Street Bridge (Br 74) Replacement is currently operating at significantly reduced levels of service with both weight and speed limits. It is expected that it will have reached the end of its safe operating life for motor-vehicles by 2017/18. 	<ul style="list-style-type: none"> • Replace the bridge. • Close the bridge to motor-vehicles, but keep it open for pedestrians and cyclists. There are effective alternative routes for motor-vehicle along Eastown Road through Holyoake Street, Poutini Street and ANZAC Parade. • Demolish the bridge. 	<ul style="list-style-type: none"> • Capital expenditure to replace the bridge is estimated at \$1.8 million we are unsure if this project will receive NZTA financial assistance due to its low ranking profile (MHL=6). • The financial investment benefit/cost ratio for the bridge replacement is low (under 2).

Infrastructure strategy

Roading and Footpaths		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Alternative routes exist along Eastown Road for the 1,400 motor-vehicles that use this bridge every day. 		<ul style="list-style-type: none"> Any capital expenditure for improvements to the alternative routes will receive NZTA financial assistance.
<ul style="list-style-type: none"> Dublin Street Bridge (Br 71) deck is near the end of its economic life and is operating at a significantly reduced level of service with imposed axle limits of 3,500kg. These limits will be reviewed in 3 years with a view to re-assess the limits to further extend its life for light traffic, pedestrians, cyclists and utilities. This will increase maintenance costs and lead to closures which will affect the interconnectivity of the transportation network. 	<ul style="list-style-type: none"> WDC will make financial assistance application to NZTA for the replacement of Dublin Street Bridge with a resilient design. Preliminary investigation/study required to consider all available options for ongoing operation of the bridge including: <ul style="list-style-type: none"> Maintenance requirements (Do-Minimum) incorporating significant expenditure and timing Options for replacement (Cost) Benefit / Cost to ascertain whether it meets the criteria for funding 	<ul style="list-style-type: none"> Approximately \$33.3 million of capital expenditure will be required to replace the bridge. It is possible that NZTA will not fund the replacement structure as it may not meet the required threshold levels. Not completing the replacement structure means eventually, closing the bridge and a detour for east / west vehicles via the City Bridge or Cobham Bridge. Additional maintenance costs if the decision is made to prolong its useful life.
<ul style="list-style-type: none"> Bridge Replacement - Matarawa (Br 37) 	<ul style="list-style-type: none"> NZTA will financially assist WDC to replace the Matarawa Stream Bridge (Br 37), Okoia, with a resilient design. 	<ul style="list-style-type: none"> Approximately \$0.5 million of capital expenditure will be required to replace the bridge.

Infrastructure strategy

Roading and Footpaths		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> • Bridge Replacement - Armco Culverts • The design life for Armco culverts is estimated at 25 years. Sometimes these structures will last longer than 25 years but rarely beyond 50 years 	<ul style="list-style-type: none"> • WDC will make financial assistance application to the NZTA for the replacement of 10 corrugated steel structures. 	<ul style="list-style-type: none"> • Approximately \$3.5 million of capital expenditure will be required to replace 10 corrugated steel structures. • • To delay replacement will be to increase the risk of structure failure and to increase ongoing maintenance costs.
<ul style="list-style-type: none"> • Bridge Replacement - Kaurapaoa Road (Br 15) 	<ul style="list-style-type: none"> • WDC will make financial assistance application to NZTA for the replacement of the Kaurapaoa Road (Br 15) with a resilient design. 	<ul style="list-style-type: none"> • Approximately \$0.5 million of capital expenditure will be required to replace the bridge.
<ul style="list-style-type: none"> • Bridge Replacement - Handley (Br 2) 	<ul style="list-style-type: none"> • WDC will make financial assistance application to NZTA for the replacement of the Handley Road (Br 2) with a resilient design. 	<ul style="list-style-type: none"> • Approximately \$0.5 million of capital expenditure will be required to replace the bridge.
<ul style="list-style-type: none"> • Bridges - 50 tonne Max • Vehicles with a maximum mass of 50 tonne compared to the current 44 tonne will soon be able to use selected roads on the WDC roading network. 	<ul style="list-style-type: none"> • Provision should be made to undertake assessment of 24 bridge structures and for any upgrading required. 	<ul style="list-style-type: none"> • Not undertaking upgrading works will restrict access for 50 tonne max vehicles thus limiting the flow of produce to market. • The investigation and upgrading works to 24 bridge structures is

Infrastructure strategy

Roading and Footpaths		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> A screening undertaken for 50 tonne vehicle capability on local roads revealed that there is insufficient information held for 24 bridges to enable full network access to 50Max vehicles. 	<ul style="list-style-type: none"> NZTA should be requested to fund any upgrading of bridge structures to enable full 50 Max vehicles capacity. 	<p>estimated to cost \$0.75 million, and this can be funded from the operational budget</p>
<ul style="list-style-type: none"> An aging and tree root affected footpath network requires the current substantial renewal investment to ensure the safety of council's stakeholders by rectifying poor quality and damaged footpaths. 	<ul style="list-style-type: none"> Maintain existing funding levels to ensure progressive improvements in the footpath asset condition continues. Undertake periodic footpath condition rating surveys (5 yearly intervals). Check results to establish trends, confirm priorities and funding needs. 	<p>Failure to maintain current levels of funding will likely see:</p> <ul style="list-style-type: none"> Non achievement of published Customer Service Performance satisfaction measures in terms of Quality and Responsiveness - The percentage of the community satisfied with footpath surfaces >50% - The percentage of footpath requests auctioned within five working days >90% Deterioration in the condition of the footpath asset will increased customer complaints.

Infrastructure strategy

Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> • Heads Road / Beach Road / Prince street Intersection. • Heads Road is a HPMV route in Wanganui’s industrial heart. Intersection upgrade project will reduce delay and congestion for Beach Road and Prince Street traffic. Provide safe and improved rail operation, improve safety and speed management for all road users. This will be compounded by current expansion of Open Country Dairy and Land Meats to Imlay Place. • Need to improve the safety and access to and from the Heads Road for long and over dimensioned HCV’s. 	<ul style="list-style-type: none"> • After consultation with all the major stake holders with many concepts, a traditional circular roundabout was preferred for construction as it achieves all the objectives and provides the most benefits for the cost. (2018 – 2019) 	<ul style="list-style-type: none"> • Capital expenditure for the roundabout option would cost approximately \$1.4million and provide benefits of \$6.3million equating to a B/C of 5.6. <p>To do nothing and retain the existing intersection in its current form will result in:</p> <ul style="list-style-type: none"> - Drivers continuing to perceive the intersections as being dangerous. - Traffic continuing to be delayed exiting Beach Road. <ul style="list-style-type: none"> • With a small percentage of traffic growth the congestion at the intersection will continue to get worse.
<ul style="list-style-type: none"> • Fitzherbert Avenue Extension (New road construction) • Vehicle movement across the city from the Castlecliff suburb, Westbourne industrial zone and State 	<ul style="list-style-type: none"> • Provide a more efficient and safe access from Castlecliff and the Westbourne industrial zone to the city and inter-district (SH3) route from Great North Road to Carlton Avenue. 	<ul style="list-style-type: none"> • Completion of the road link is expected to cost \$2.3million. • Failure to complete the link will mean a less efficient road network with

Infrastructure strategy

Growth / Decline Issues	Principal options for response	Implications
<p>Highway 3 is limited with pinch points and route deficiencies.</p>	<p>(2018 – 2021)</p>	<p>increased traffic congestion and safety concerns.</p>
<ul style="list-style-type: none"> • Around 10 percent of people in Wanganui cycle to work, which is slightly higher than the national average. To encourage cycling, good cycling infrastructure is needed to increase the appeal with all the social, network, tourism and environmental benefits the activity generates. • The installation of further pedestrian / cycleways is dependent on securing funding for this activity. Currently applications to NZTA for walking and cycling initiatives have been placed on 'Reserve' status. 	<ul style="list-style-type: none"> • Wanganui has an identified cycle network and has made significant progress to create cycle lanes primarily on the busy traffic routes. • Council has adopted the “WDC Cycling Strategy Implementation Plan 2008” and proposes to provide additional infrastructure enhancements. The principal objectives being to promote cycle safety, public health and ensuring environmental sustainability and a link to the governments “Mountain to Sea” great rides of New Zealand tourism destinations • The strategy should be review at 5 yearly intervals. 	<ul style="list-style-type: none"> • To implement the Cycling and shared use Pathways Strategy a capital expenditure of \$5.5million is required cumulatively over a timeframe of 10 years with financial assistance from NZTA. Currently it’s assumed that the funding will be forthcoming, and the full amount is therefore included in the Asset Management Plan. There is a medium level of uncertainty of the external funding being confirmed – in which case Council would need to decide whether it would be funding any shortfalls. • The implications of not following through with the strategy will be to place vulnerable pedestrian and cyclists in conflict with motor vehicles. • The interconnectivity of available pathways is critical to the development of the Strategy and Council vision.

Infrastructure strategy

Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> • Council maintain a number of transportation assets that are aging and will require significant investment and /or replacement within the 30 year period of this infrastructure strategy. This is particularly applicable to bridge structures. • A number of structures requiring replacement of structural components or renewal, service a small number of properties or have alternative routes available to users. It is also considered with a high level of certainty that many of these structures will not meet the criteria for NZTA financial support. 	<ul style="list-style-type: none"> • Council may decide that assets identified in any review process for disposal will no longer be maintained by council. • They may decide to dispose of an asset if it is uneconomic, unsafe or becoming so, and it is not in the public interest to maintain it in an appropriate safe condition. • Disposal might be undertaken in one of the following ways: <ul style="list-style-type: none"> - Sale - Gifted, or - Demolition without replacement. 	<ul style="list-style-type: none"> • Large capital expenditure assets in the 30 year strategy including “Dublin Street Bridge – \$33.3million and Wakefield Street Bridge - \$1.8million” are programmed for replacement. Keeping these structures in a safe serviceable condition will result in increased maintenance costs, reducing budgets for other assets groups. • To replace structures without financial assistance will have a huge impact on rates. • Structures support other assets (Wastewater, Water Supply and other utility services). The relocation of council services will have to be factored in with any asset disposal.

Infrastructure strategy

Growth and Developments		
Resilience & Levels of Service Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Engineering review and development proposal assessments. 	<ul style="list-style-type: none"> Assessment based upon Wanganui District Council Engineering supplement and NZS4404 Utility network supply capability assessments as per storm water and waste water sections of the Infrastructure Strategy document. Early engagement between developer and development engineer 	<ul style="list-style-type: none"> On-going review of Engineering supplement and NZS4404 required ensuring assessments are undertaken based upon industry best practices. Greater demand on engineering input as assessments become more detailed and technical. Development assessment process requires more pre-submission discussion and developer / council representative consultation.

Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Pressure to re-zone rural areas into the residential zone placing additional loadings upon urban reticulation networks. 	<ul style="list-style-type: none"> Develop acceptable supply solutions in accordance with NZS4404 standards. Development limitations/restrictions where capacity issues are identified by utility services. 	<ul style="list-style-type: none"> Increased cost for development could increase land prices and/or restrict growth and development. Limitations placed on re-zoning. Some green field development could “stall”
<ul style="list-style-type: none"> Demand for services from outside the residential area. Demand to connect to council infrastructure services which are at supply capacity. 	<ul style="list-style-type: none"> Develop acceptable supply solutions in accordance with NZS4404 standards. Development limitations/restrictions where capacity issues are identified by utility services. Allow in limited cases off-peak wastewater pumping, and on-site stormwater attenuation 	<ul style="list-style-type: none"> Increased cost for development could increase land prices and/or restrict growth and development.

Infrastructure strategy

Growth / Decline Issues	Principal options for response	Implications
<ul style="list-style-type: none"> Infrastructure supply & capacity identified by Stormwater and Wastewater in previous sections of infrastructure strategy. 	<ul style="list-style-type: none"> Develop acceptable supply solutions in accordance with NZS4404 standards. Development limitations/restrictions where capacity issues are identified by utility services. 	<ul style="list-style-type: none"> Increased cost for development could increase land prices and/or restrict growth and development.
<ul style="list-style-type: none"> Population Dilution 	<ul style="list-style-type: none"> Investigate strategies to encourage acceptable development limiting urban spread. Development of structure plans. 	<ul style="list-style-type: none"> Increased cost for development could increase land prices and/or restrict growth and development. Infrastructure assets stretched to service outer boundaries of residential zone. Service upgrades.
<ul style="list-style-type: none"> Papakainga 	<ul style="list-style-type: none"> Development of acceptable supply and servicing solutions in accordance with NZS4404 Standards and the Wanganui District Council Engineering Supplement. Iwi consultation. Papakainga specific assessment standards / conditions. 	<ul style="list-style-type: none"> Papakainga negative perceptions. Cultural values and customs carry a significant weighting to evaluations. Development of Papakainga specific assessment standards. District plan rules required relating to Papakainga Housing.
<ul style="list-style-type: none"> Engineering standards NZS4404. Documentation review to reflect changes / updates to NZ standards documents 	<ul style="list-style-type: none"> NZS4404 and supporting council engineering documents to be reviewed regularly to ensure documentation reflect current standards and best practice. NZ Standards reviewed for consideration of adopting or incorporating into existing documentation Development of structure plans. 	<ul style="list-style-type: none"> On-going review of engineering standards to reflect current best practices.

Infrastructure strategy

Infrastructure Investment Programme

Total Expenditure

In addressing the issues identified in the previous section of this Strategy, the Wanganui District Council expects to spend \$786.1 million on new or replacement infrastructure between 2015 and 2045. Over the same period, \$1,184.6 million is expected to be spent on operating costs, labour, finance costs, materials and maintenance. These figures are anticipated to be spread across the four infrastructural asset activity areas as follows

Infrastructure Activity	Capital Expenditure	Operational Expenditure
Wastewater	\$102,802,960	\$439,480,662
Stormwater	\$39,852,578	\$84,402,396
Waterways and natural drainage	\$3,080,545	\$32,706,118
Water Supply	\$50,656,130	\$170,823,985

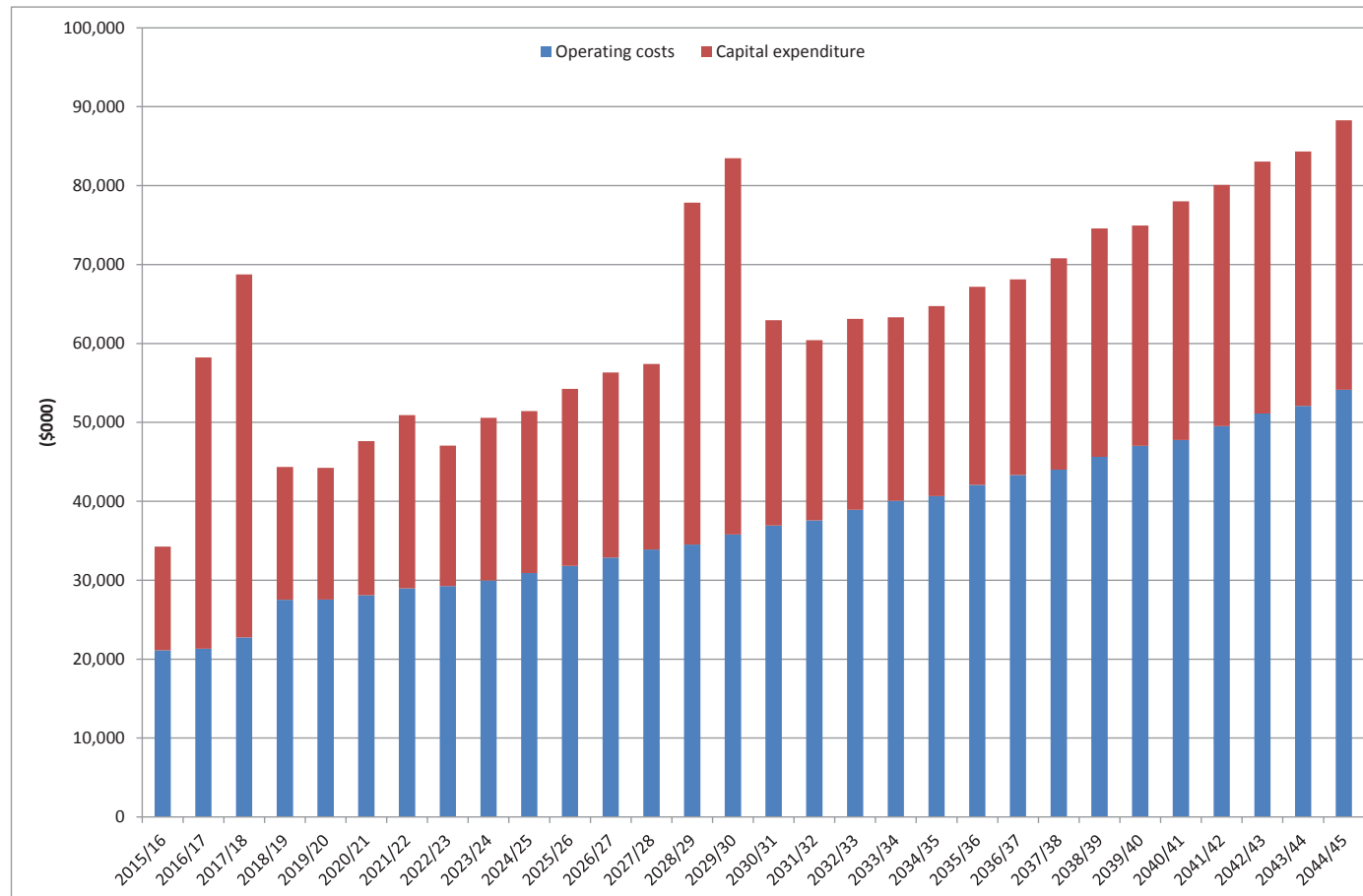
Roading	\$607,023,807	\$379,785,682
Total	\$803,416,019	\$1,107,198,842

Capital Expenditure Highlights

Figures 1 to 3 show the expected expenditure year by year up to 2045, by total expenditure, expenditure by activity and operational expenditure by infrastructure activity area. Capital expenditure is projected to exceed \$39M for years 2028 – 2030, mainly as a result of the Dublin Street Bridge.

Infrastructure strategy

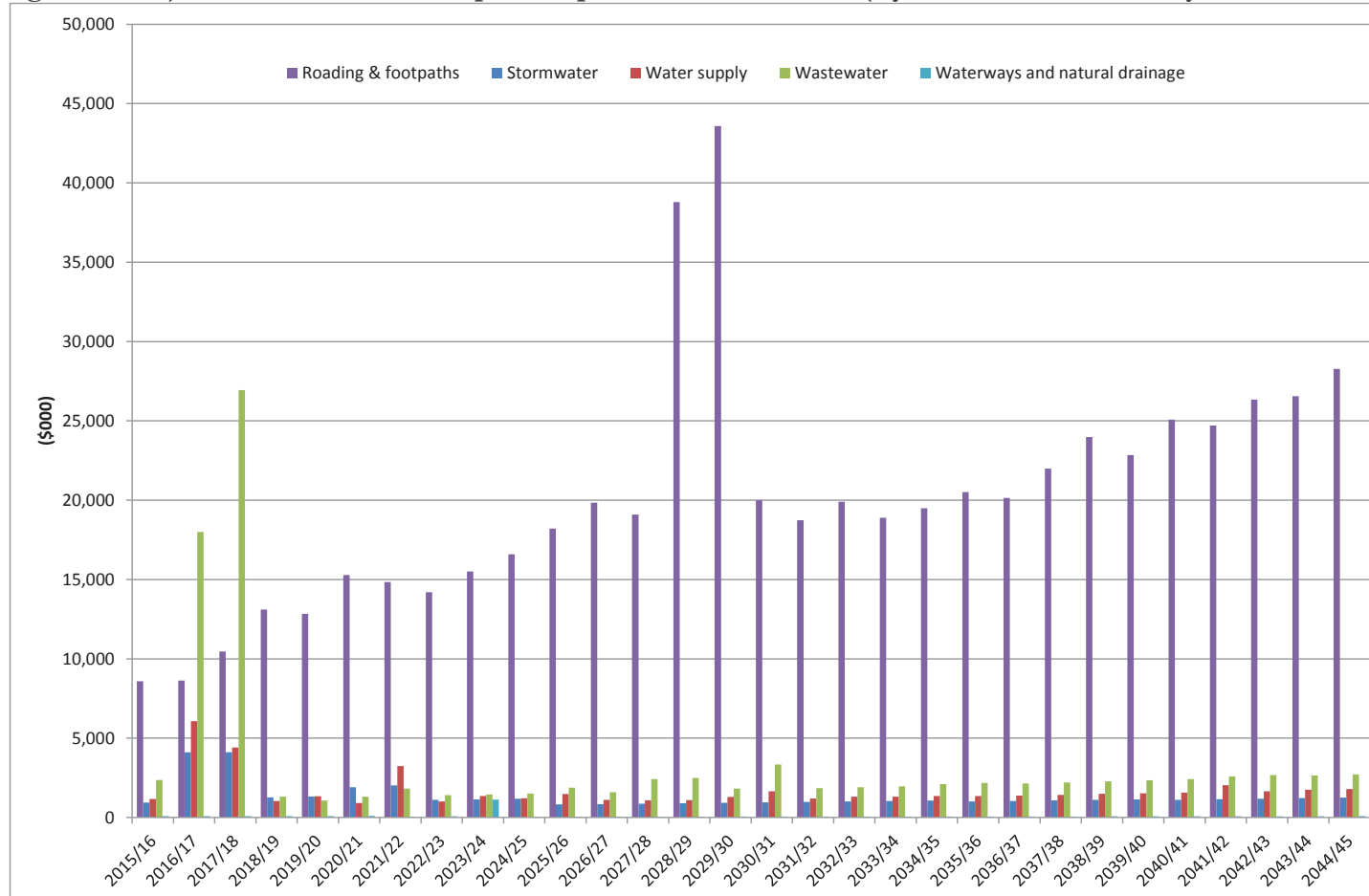
Figure 1: Wanganui District Infrastructure Expenditure Projections 2015 – 2045



Expenditure across the four infrastructure activity areas will continue to be dominated by operational expenditure requirements (operating costs, labour, depreciation, materials, maintenance and finance cost) between 2015 and 2045.

Infrastructure strategy

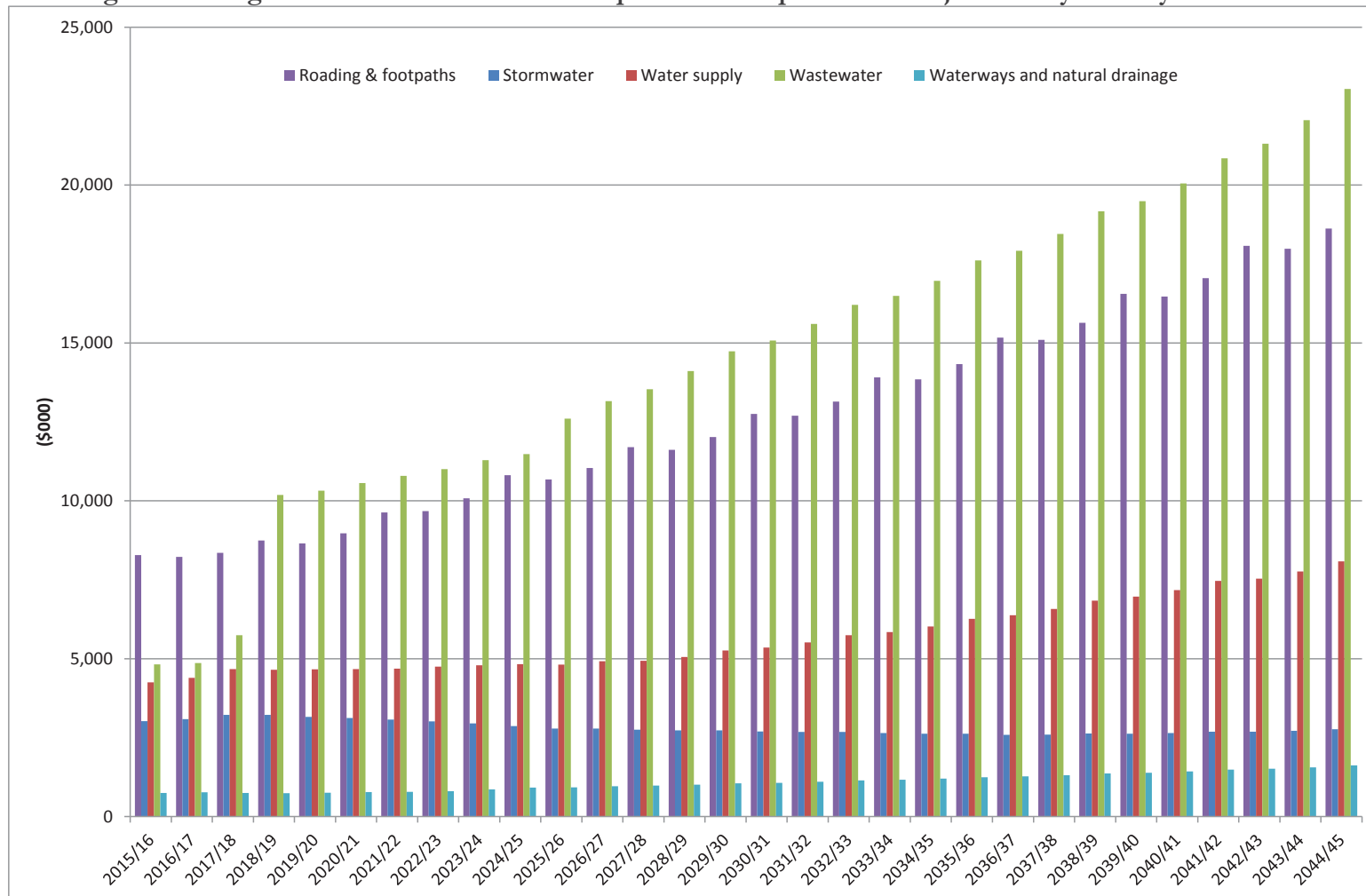
Figure 2: Projected Infrastructure Capital Expenditure 2015 – 2045 (By Infrastructure Activity Classification)



The chart above shows the projected infrastructure spend for each of the four activity areas. There is significant expenditure in wastewater infrastructure in 2017/18 as additional capacity is built and significant expenditure on water supply infrastructure in 2016/17 and 2017/18 when a replacement reservoir is built. The peaks in roading expenditure reflect the replacement of the Dublin Street Bridge.

Infrastructure strategy

Figure 3: Wanganui District Infrastructure Operational Expenditure Projections by Activity 2015 – 2045

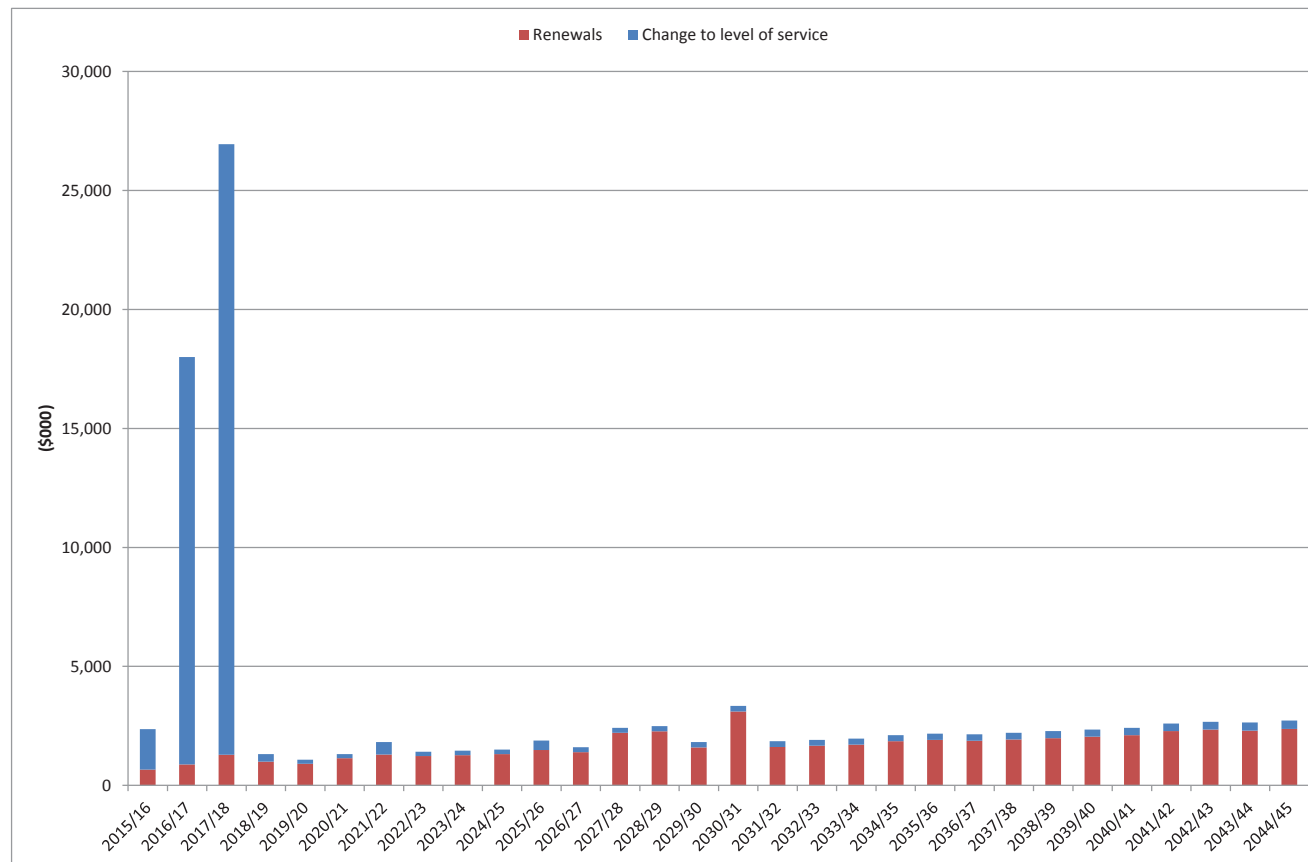


The chart above shows the projected infrastructure operational expenditure for each of the four infrastructure activity areas.

Infrastructure strategy

Major Wastewater Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of Wanganui District wastewater assets to 2045.



Infrastructure strategy

Major new wastewater infrastructure projects that are expected to be undertaken in the 2015 – 2045 period are shown in the table below

Major Work	Cost	Timing	Assumptions
Upgrade to the treatment plant to meet Resource Consent standards	\$41.2 million	2016-2018	Sludge review confirms affordability of the treatment plant. If unaffordable, process to be aborted and started anew

A possible mitigation for this would be to search temporary resource consent with revised limits until certainty has been achieved.

Implications of uncertainty

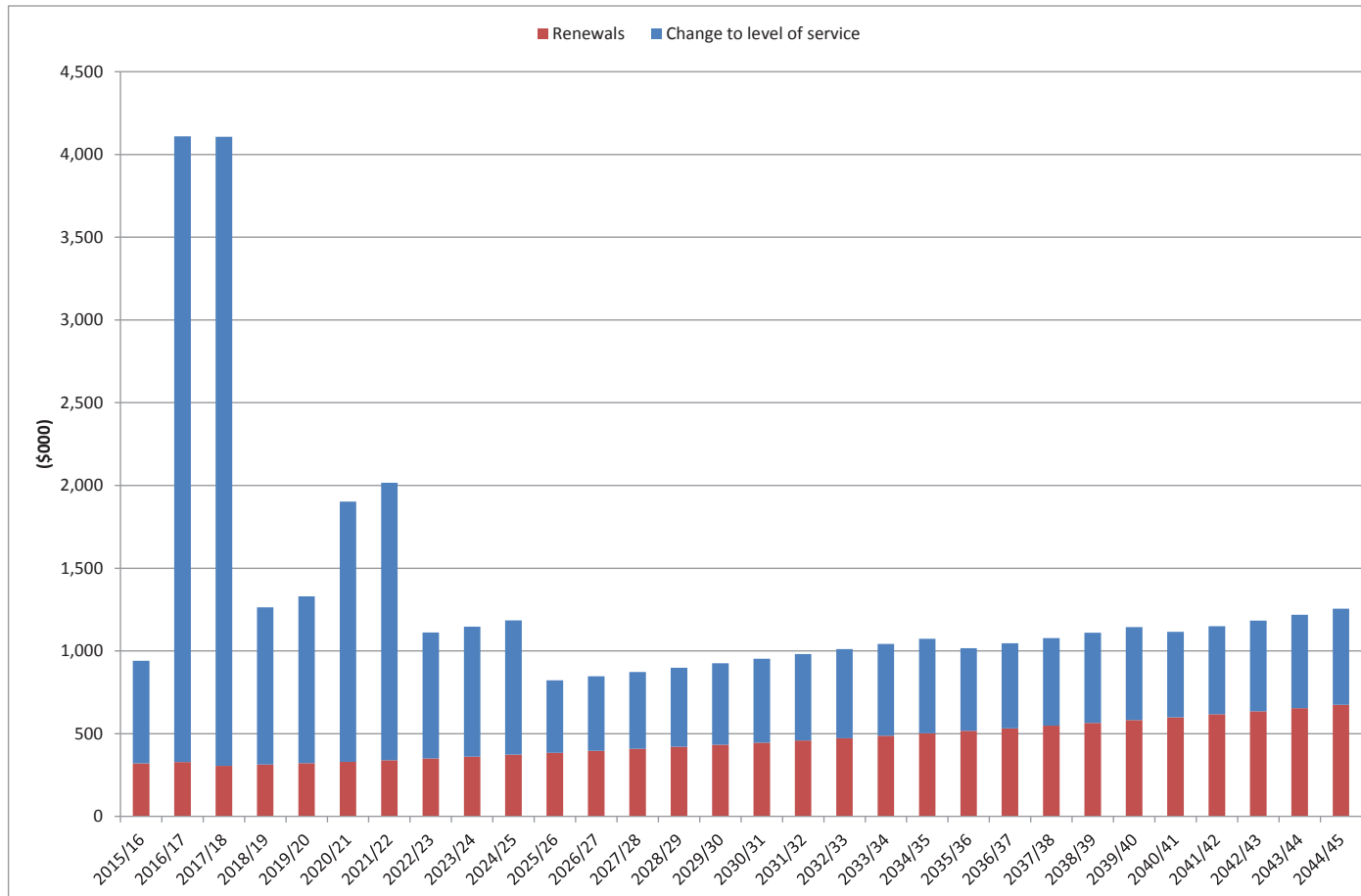
Due to the complex nature of selecting the best suited outcome for the community with regards to suitability of the wastewater treatment plant process and affordability for industry and the community, the final treatment plant solution still has a high level of uncertainty. A lower level of uncertainty about the time lines and processes will be achieved after the collection of additional information. A final decision will only be made once all necessary information has been gathered.

Further implications could be significant delays to this investment, resulting in non-compliances with current resource consent conditions.

Infrastructure strategy

Major Stormwater Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of Wanganui District Stormwater assets to 2045.



Infrastructure strategy

Major new stormwater infrastructure projects that are expected to be undertaken in the 2015 – 2045 period are shown in the table below.

Major Work	Cost	Timing	Assumptions
Separation Completion	\$6.1million	2015 - 2045	<p>Separation completion will be focussed on the remaining Gonville West area.</p> <p>The level of uncertainty with this assumption is low based on our knowledge of the scope of the work.</p> <p>The timing of the work would be such that small sections will be completed each year, until the whole has been completed – this allows budget to be maximised for other capital upgrades. Due to the age of the network, and records not being</p>

			available in all cases of the older sections of the network, it is likely the scope will change as the work is carried out.
Integrated Catchment Management	\$5.2million	2015-2045	<p>Integrated catchment management will be focussed on the 10 main urban stormwater catchments.</p> <p>There is a high level of certainty as a result of high level outcomes from hydraulic modelling.</p> <p>This is an ongoing initiative, over a very long-term horizon and is likely to extend beyond 30 years – as catchment improvement typically takes months if not years to implement due to the nature of landownership of watercourses.</p>

Infrastructure strategy

Network replacements and renewals	\$13.7million	2015-2045	<p>This will be focussed across the urban area based on the outcomes of CCTV condition assessments.</p> <p>The level of certainty is medium, as much of the condition data is estimated, and yet to be confirmed through CCTV condition ratings.</p> <p>This is an ongoing activity likely to extend beyond the 30 year period, and will allocate 80% of the available budget on maintaining the critical assets in a proactive manner, and the remaining 20% on replacing non-critical assets. This funding split will be continuously reviewed, and</p>
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			adjusted to suit based on the condition and performance of our critical asset groups.
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Implications of uncertainty

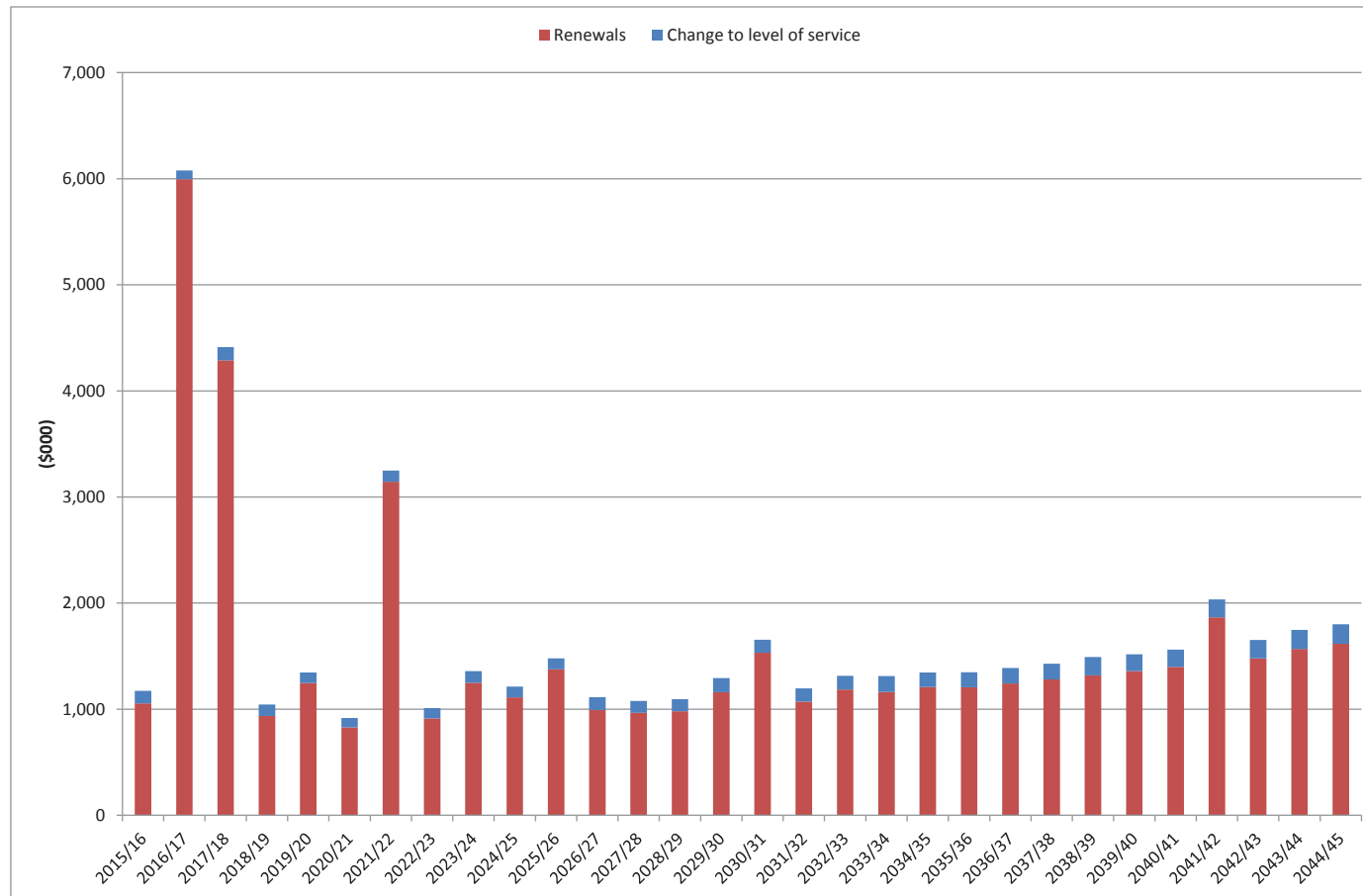
There is a moderate degree of uncertainty around the costings, as the majority of the data is yet to be confirmed through the projects outlined in the strategic plan. True Level of Service is yet to be determined through additional hydraulic model analysis, and the establishment thereof is likely to have further impact on long term budget forecasts, especially beyond year 10 of the strategic plan.

Implications of this uncertainty would be that the scope of planned upgrades would need to be revised, or that additional capital investment be sought from Council, or that Levels of Service would need to be decreased to match the scenario.

Infrastructure strategy

Major Water Supply Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of Wanganui District Water Supply assets to 2045.



Infrastructure strategy

Major new water supply infrastructure projects that are expected to be undertaken in the 2015 – 2045 period are shown in the table below.

Major Work	Cost	Timing	Assumptions
Replace sections of the Trunk Mains between Kai-iwi and Westmere Reservoirs.(i.e. SH3 Symes Rd to Hayes Gateway, and Schoolhouse to Symes Rd)	\$0.9 million	2015 - 2022	Timing for this project is subject to ongoing monitoring and impacts of increasing leakage rates and cost to repair. There is a low level of uncertainty as the Trunk Mains form part of the critical supply between Kai-iwi Bores to the Urban Reticulation System.
Additional water bore in the Kai-Iwi / Goat Valley area.(i.e. Kai Iwi No1 Bore Development)	\$3.3 million	2016 – 2022	Costings assume the bore will be next to the Kai-Iwi Hall on council owned land. Timing depends on serviceability of current bores and is subject to ongoing monitoring and impacts from

			earthquakes and ground movement.
Replacement of existing sections of Castlecliff Mains (i.e. Tayforth Rd to Belmont Golfcourse; Erin Rd to Cameron Rd East; Cameron Rd East to Westmere Rd)	\$1.0 Million	2016-2024	Timing for this project is subject to ongoing monitoring and impacts of increasing leakage rates and repair costs.
Replacement of Reservoir No 1	\$6.3 Million	2016 - 2017	This project has a low level of uncertainty as the existing reservoir only has a remaining useful life of 4-5yrs.

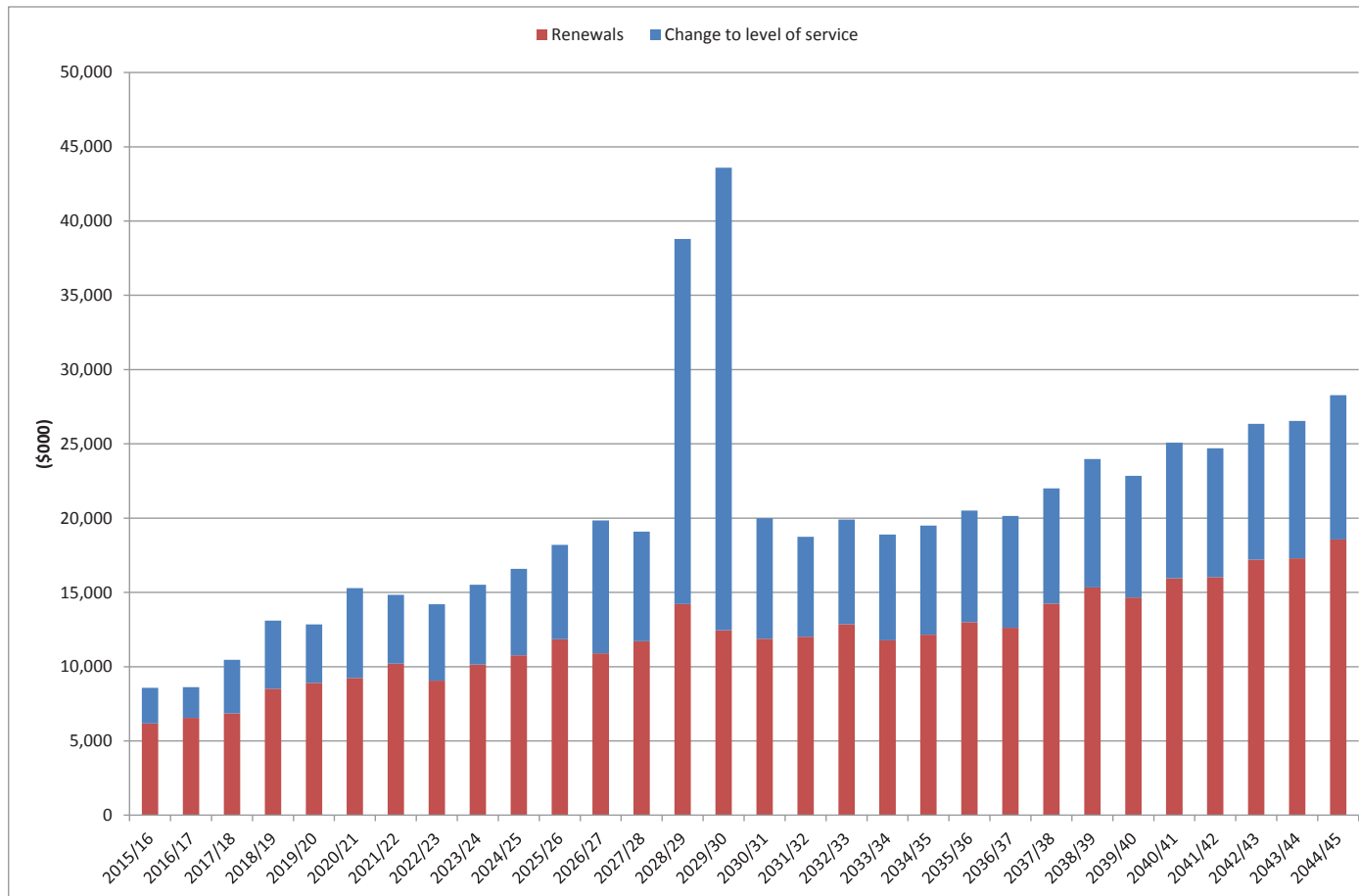
Implications of uncertainty

There is over all a low level of uncertainty around these assumptions.

Infrastructure strategy

15.6 Major Roding Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of Wanganui District Roding assets to 2045.



Infrastructure strategy

Major new roading infrastructure projects that are expected to be undertaken in the 2015 – 2045 period are shown in the table below.

Major Work	Cost	Timing	Assumptions
Dublin Street bridge replacement	\$33.3million	2024 - 2030	<p>It is assumed that the Dublin Street Bridge will continue to deteriorate with more severe weight limits imposed to a stage where only light vehicles will be able to use the bridge.</p> <p>The timing is based on the rate of deterioration of the structure at which time significant component replacement will be required.</p> <p>A detailed inspection and analysis of the longer term condition into structure will improve our</p>

			<p>assumptions of remaining asset life.</p> <p>Moderate level of uncertainty</p>
Wakefield Street bridge replacement	\$1.8million	2017 - 2018	<p>Timing is based on the rate of deterioration of the structure.</p> <p>If the bridge is not replaced by 2018 it will have to be closed off to motor-vehicles.</p>
Rural Road Rehabilitation	\$12.3million	2020 - 2029	<p>Timing is based on road surface deterioration as a result of commercial harvesting of forestry.</p> <p>It is anticipated that the biggest impact will be between 2020 - 2029 where a spend</p>

Infrastructure strategy

			<p>of \$12.3 million over and above normal funding level will be experienced.</p> <p>The overall level of uncertainty with the assumptions for this projection will be improved with the implementation of predictive modelling.</p>
Mosston/Montgomery Road Reconstruction	\$15.5million	2025 - 2030	<p>Project timing is based on the timing of road pavement deterioration and coincides with other adjoining projects. (Fitzherbert Avenue)</p> <p>The overall level of certainty with the assumptions for this project is medium.</p>
Fitzherbert Avenue Extension	\$2.2million	2018 - 2021	<p>Project timing is based coinciding with other adjoining projects. (Mosston</p>

			<p>Road Reconstruction)</p> <p>The overall level of certainty with the assumptions for this project is medium.</p>
Heads Road / Beach Road Intersection	\$1.4million	2018 - 2019	<p>Intersection improvement works meet the requirement for funding but doesn't rank high enough when compared against other national and regional priorities.</p> <p>The overall level of certainty with the assumptions for this project is high</p>

Infrastructure strategy

Implications of uncertainty

Dublin Street Bridge Replacement

Further investigation / study required to consider all available options for ongoing operation of the bridge including:

- Maintenance requirements (Do-Minimum) incorporating significant expenditure and timing
- Options for replacement (Costings)
- Benefit/Cost ratio to ascertain whether it meets the criteria for NZTA investment.

Wakefield Street Bridge Replacement

There is a very high safety risk of asset failure by prolonging its use by motor-vehicle beyond 2018. A low level of uncertainty exists around this assumption.

Road Pavement Rehabilitation

There is a moderate degree of uncertainty around effects of forestry on our roads and the proposed intervention treatment. Consequently further investigation into the extent of the required rehabilitations is necessary.

Developing a pavement deterioration model using dTIMS will assist in improving confidence as to assumptions made and assist in providing the evidence necessary to secure additional funding from NZTA for future funding business case applications.

Road Heads Road / Beach Road Intersection

There is a low level of uncertainty that safety and efficiency will improve with this project.

Mosston Road Reconstruction / Fitzherbert Avenue Extension

There is a need to carry out a scheme assessment review of these two capital improvement projects to verify the original assumptions and links to Council's strategies. There is a low level of uncertainty around this project.

Infrastructure Strategy

1. Estimated Operational Expenditure 2015 - 2045 (\$000)

Operational Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025-2030	2030-2035	2035-2040	2040-2045
Wastewater	4,823	4,865	5,744	10,182	10,321	10,566	10,791	11,006	11,288	11,482	68,143	80,340	92,627	107,302
Stormwater	3,019	3,088	3,224	3,220	3,158	3,118	3,071	3,018	2,950	2,863	13,790	13,321	13,067	13,496
Water Supply	4,248	4,394	4,672	4,649	4,662	4,671	4,687	4,748	4,791	4,824	24,984	28,468	33,008	38,019
Roading & Footpaths	8,280	8,222	8,350	8,741	8,653	8,973	9,629	9,672	10,078	10,814	57,047	66,346	76,778	88,203
Waterways and natural drainage	751	766	749	739	752	775	786	805	864	915	4,925	5,681	6,581	7,617

2. Estimated Capital Expenditure 2015 - 2045 (\$000)

Capital Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025-2030	2030-2035	2035-2040	2040-2045
Wastewater														
Renewals	665	876	1,285	994	909	1,145	1,295	1,232	1,271	1,313	8,959	9,949	9,740	11,404
Change in LoS	1,695	17,122	25,659	319	166	171	528	181	187	193	1,255	1,224	1,419	1,645
Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,360	17,999	26,944	1,312	1,075	1,316	1,823	1,413	1,458	1,506	10,214	11,173	11,159	13,050

Infrastructure Strategy

Capital Expenditure	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025-2030	2030-2035	2035-2040	2040-2045
Stormwater														
Renewals	320	328	306	313	321	330	340	350	361	373	2,042	2,367	2,744	3,181
Change in LoS	620	3,782	3,801	950	1,009	1,572	1,676	761	785	811	2,323	2,693	2,649	2,742
Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	940	4,110	4,106	1,264	1,330	1,902	2,016	1,111	1,147	1,184	4,365	5,060	5,393	5,923
Water Supply														
Renewals	1,055	5,996	4,288	936	1,247	828	3,144	914	1,249	1,112	5,475	6,162	6,406	7,930
Change in LoS	119	81	125	107	99	90	104	95	111	102	585	662	767	867
Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,174	6,077	4,413	1,043	1,346	918	3,248	1,010	1,360	1,214	6,060	6,824	7,173	8,796
Roading & Footpaths														
Renewals	6,173	6,557	6,858	8,518	8,909	9,243	10,198	9,056	10,137	10,756	61,116	60,666	69,857	85,044
Change in LoS	2,409	2,068	3,606	4,589	3,936	6,043	4,639	5,151	5,371	5,836	78,394	36,359	39,627	45,909
Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	8,581	8,625	10,464	13,108	12,845	15,286	14,838	14,207	15,508	16,591	139,510	97,026	109,484	130,952
Waterways and natural drainage														
Renewals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in LoS	85	87	90	92	94	97	41	75	1,128	45	246	286	331	384
Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	85	87	90	92	94	97	41	75	1,128	45	246	286	331	384

Significance and Engagement Policy

Significance and Engagement Policy:

Our Significance and Engagement Policy outlines our approach to determining the significance of proposals and decisions, and includes criteria and procedures we will use in assessing which issues, proposals, decisions and other matters are significant.

This policy:

- Enables the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- Provides clarity about how and when communities can expect to be engaged in decisions made by Council.
- Informs the Council from the beginning of a decision-making process about the extent, form and type of engagement required.

The full policy can be found on the Council website:
<http://www.wanganui.govt.nz/our-council/publications/policies/Documents/SignificanceandEngagementPolicy.pdf>

Water and sanitary assessment and Waste Management and Minimisation Plan

We adopted our first Water and Sanitary Assessment in December 2005. In adopting this 10-Year Plan we have agreed to delay construction of the approved design of our Wastewater Treatment Plant to allow for additional work on reducing operating costs, primarily related to sludge, until it is affordable for our community. This is a significant variation from our assessment of water and other sanitary services.

In continuing to delay construction, untreated wastewater will be discharged to sea until an affordable and environmentally sustainable solution is obtained. After that there will be an increased level of service as resource consent conditions will be met with treated wastewater discharged to sea.

Our Waste Management and Minimisation Plan is currently under review. The existing plan can be found on the Council website: www.wanganui.govt.nz under Publications. There are no significant variations between this plan and the 10-Year Plan 2015-2025.

Properties for potential divestment

These properties are being considered by Council for divestment as they are deemed surplus to requirements.

Address	Legal description
City Endowment property portfolio	
69 Bamber Street	CT 25B/253 Lot 1 DP 55937
Cnr Fergusson/Parsons Street	PT RESERVE L TOW
8 Gilmour Street	CT Lot 1 DP 81089
235 London Street	PT RESERVE L TOW
52 Carlton Avenue	PART LOT 14 DSP 304 LOTS 15,16, 20 & 21 DSP 304 PART RES L TOW
101A Manuka Street	Lot 4 PT Lots 1&2 DP5562 PT Lot 2 DP 4656
Community and operational portfolio (formerly the City Freehold property portfolio)	
57 Heads Road	Lot 6 DP 81353 & CT 14B/1082, Section 554 Town of Wanganui; CT 47C/373
24 Cross Street	PT LOT 2 DP 323552
88 Duncan Street	CT 20A/170 Lot 2 DP 49266
35 Fox Road	LOT 1 DP 23839 LOT 5 DP 24363
9 Karoro Road (3 lots excluding open drain)	CT14D/387, 14D/386, 14D/384 Lots 2, 4 and 5 DP 42629
7 Kauangaroa Road	SEC 526 & 527 LBWR
3 Kotuku Street	CT 21A/476 Lot 3 DP 49146
1 Montgomery Road	SEC 337 RBWR; SEC 1 & 2 SO 35194; SEC 1 SO 422441

78, 78A and 86 Mosston Road	PT LOT 1 DP 7675 LOT 64 DP 26733; LOT 58 DP 28030 NZG 50/1380, LOT 59 DP 28030, PT LOT 1 DP 51843; LOT 1 DP 17534
Oakland Ave - Tenison Oaks Reserve	LOTS 8 9 10 13 DP 73893
180A Paterson Street (Hylton Park)	PT LOT 2DP 744 PT LOT 1 DP 16409
152 Somme Parade	Lot 2 DP 54662
275 Tokomaru East Road	LOT 1 DP 16941 BLK IX WAIPAKURA S D
10 Windsor Terrace	Lot 4 DP 432587
16 Windsor Terrace	Lot 1 DP 432587
14 Wilke Street (part)	Part DP 5408 (old rodeo)
Harbour Endowment property portfolio	
8 Bryce Street	Lot 2 DP 65453
426 Heads Road	Lot 1 DP 56412

Statement of accounting policies

Reporting entity

Wanganui District Council (“the Council” and “WDC”) is a territorial local authority established and governed by the Local Government Act 2002, and is domiciled and operates in New Zealand.

The group consists of the ultimate parent Wanganui District Council (WDC) and its subsidiaries, Wanganui District Council Holdings Limited (100% owned) which in turn owns 100% of Wanganui Gas Limited (WGL) and its subsidiaries, Wanganui District Councils’ Forestry Joint Committee (95.09%), Wanganui Airport Joint Venture (50%), Cooks Gardens Trust Board and Wanganui Incorporated. Its 49% equity share of New Zealand Masters Games Limited, its 33% interest in the Ruapehu, Wanganui, Rangitikei Economic Development Trust, its 15% interest in the Manawatu Wanganui LASS Limited and its 33% interest in the Whanganui River Enhancement Trust are equity accounted. All WDC subsidiaries and associates are domiciled in New Zealand.

The Council’s financial statements are for Wanganui District Council and the Wanganui Airport Joint Venture (50%) as an activity of Council. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the 10-Year Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council. The financial

information contained within the 10-Year Plan may not be appropriate for purposes other than those described.

Statement of compliance and basis of preparation

The prospective financial statements have been prepared on a going concern basis and accounting policies have been applied consistently throughout the period of the 10 Year Plan.

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and the Long-term Plan requirements of section 93 of the LGA. It is audited under section 94 of the LGA. The primary purpose of WDC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, for reporting purposes, the Council is a public benefit entity.

The Council authorised the prospective financial statements on 30 June 2015.

The Council, who are authorised to do so and believe that the assumptions underlying these prospective financial statements on pages 65 to 73 are appropriate, has approved the 10-Year Plan for distribution.

No actual financial results have been incorporated within the prospective financial statements. Actual financial results achieved for the period covered are likely to vary from the information presented. These variations may be material. The final prospective financial statements was adopted by the Council on 30 June 2015.

Statement of accounting policies

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

Specific accounting policies

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from an exchange transaction arises where the Council supplies goods or services at a market rate, and where equal value, usually in the form of cash, is received. A non-exchange transaction is where the Council receives goods or services from another entity without giving approximate equal value in return. Many services Council provides are subsidised by rates and are thus non-exchange. An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Rates revenue is a non-exchange transaction.

Government grants

WDC receives government grants from the New Zealand Transport Agency, which subsidises part of WDC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Government grants are generally regarded as a non-exchange transaction.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. The provision of services is regarded as a non-exchange transaction where the activity is subsidised by rates.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in WDC are recognised as revenue when control over the asset is obtained. Vested assets revenue is a non-exchange transaction.

Statement of accounting policies

Sale of goods

Revenue from sales of goods is recognised when a product is sold to the customer. Revenue from the sale of goods is an exchange transaction where the sale is at market value and no subsidy from rates is given.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Interest and dividends

Interest income is recognised using the effective interest method. Interest income is exchange revenue.

Dividends are recognised when the right to receive payment has been established. Dividend income is exchange revenue.

Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, WDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Financial assets

Statement of accounting policies

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which WDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the WDC has transferred substantially all the risks and rewards of ownership.

WDC classifies its financial assets into the following categories: fair value through surplus or deficit, held-to-maturity investments, loans and receivables and fair value through other comprehensive income. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is categorised in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. WDC's financial assets at fair value through surplus or deficit include derivatives that are not designated as hedges.

After initial recognition they are measured at their fair values with gains or losses on remeasurement are recognised in the surplus or deficit.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in

current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans, long term receivables and hire purchase long term debtors.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by WDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that WDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's held to maturity investments include interest bearing bonds (Government Indexed Bonds) and deposits and sinking funds.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Statement of accounting policies

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of balance date. WDC's financial assets at fair value through equity comprise investments in quoted and unquoted shares. WDC includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These financial assets are: Unlisted shares in NZ Local Government Insurance Corporation Limited, Sarjeant Gallery NJ Young Fund with Craigs Investment Partners Limited.

WDC's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of financial assets

At each balance sheet date WDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held to maturity investments

Impairment of a loan or a receivable is established when there is objective evidence that WDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

Statement of accounting policies

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the WDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and unquoted equity investments

For equity investments classified as fair value through other comprehensive income, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus and deficit. Impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after

the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Derivative financial instruments

WDC uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, WDC does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction

Statement of accounting policies

rather than through continuing use. Non-current assets held for sale are recorded at lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets – these include land, buildings, motor vehicles, plant and equipment and library books.

Restricted assets – these include artworks, cultural assets and parks and reserves. These assets provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – these include the fixed utility systems comprising the roading, airport runway, water reticulation and drainage systems, and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

WDC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

WDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and recognised in other comprehensive income.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WDC and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Statement of accounting policies

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and art works, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset type	Useful life	Depreciation rate
Land (including Restricted properties)		Not a Depreciable item
Buildings and leasehold improvements (including Restricted properties)	5 to 50 years	2-20%
Plant, vehicles and equipment	3 to 20 years	5-33%
Furniture & Fittings	5 to 10	10-20%
Library books	10 years	10%

Art Works		Not a Depreciable item
<i>Infrastructural assets</i>		
Roading network		
Pavement	4-18 years	5-25%
Basecourse	80-100 years	1-1.25%
Footpaths	8-100 years	1-12.5%
Bridges & large culverts	100 years	1%
Kerb and channel	20-100 years	1-5%
Retaining Walls	50-100 years	1-2%
Street lighting	15-50 years	2-6.7%
Culverts	80 years	1.25%
Traffic signals and under road assets	5-50 years	2-20%
Wastewater system	20 to 120 years	0.8-5%
Water system	9 to 100 years	1% - 11.1%
Gas distribution network mains and services	7 to 100 years	1% - 15%
Gas distribution network condition renewals	50 years	2%
Gas measurement systems and distribution network customer stations	10 to 100 years	1% - 10%
Airport runway	50 years	2%

Statement of accounting policies

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of WDC's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisition of associates is included in "investments in associates" and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by WDC, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset type	Useful life	Amortisation rate
Computer software	3 - 10 years	10% - 33%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Statement of accounting policies

Value in use is depreciated, replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined

based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber process, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

The costs to maintain forestry assets are included in the surplus or deficit when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, WDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Creditors and other payables

Creditors and other payables are recorded at their face value.

Borrowings

Statement of accounting policies

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless WDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits that WDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at, balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

WDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that WDC anticipates it will be used by staff to cover those future absences.

WDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders service, such as long service leave and retiring leave; have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and the present value of the estimated future cash flows. The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Equity

Equity is the community's interest in WDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- retained earnings
- restricted reserves
- asset revaluation reserves
- fair value through other comprehensive income

Restricted reserves

Statement of accounting policies

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WDC. See statement of reserve funds on page 114.

Restricted reserves are those subject to specific conditions accepted as binding by WDC and which may not be revised by WDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Goods and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Landfill post-closure costs

WDC, as past operator of the Balgownie landfill, has a legal obligation under the resource consent to provide on-going monitoring of the landfill after its closure. Post-closure monitoring costs are recognised as expenses when the obligation for post-closure arises.

Cost allocation

WDC has derived the cost of service for each significant activity of WDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as operating expenditure net of NZTA subsidies.

Critical accounting estimates and assumptions

In preparing these financial statements WDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within this Plan are discussed below:

Statement of accounting policies

WDC infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset;
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then WDC could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk, WDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the WDC's asset management planning activities, which gives WDC further assurance over its useful life estimates.

Experienced independent valuers perform or review the Council's infrastructural asset revaluations.

Critical judgements in applying WDC's accounting policies

Management has exercised the following critical judgements in applying the WDC's accounting policies:

Classification of property

WDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

Impairment of shares in subsidiary

Management reviews its share investment in its subsidiary and has made estimates and assumptions concerning the future. These estimates and assumptions include revenue growth, future cash flows and future economic and market conditions. These estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. WDC minimises the risk of this estimation uncertainty by annually reviewing the value of its share investment.

Contact us

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Further contacts

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Building and planning	(06) 349 0521
Cemetery and crematorium	(06) 343 9412
Civil Defence	(06) 349 0515
Customer services	(06) 349 0001
Health and liquor licensing	(06) 349 0522
i-Site information centre	(06) 349 0508
Library	(06) 349 1000
War Memorial Hall – Conference and Convention Centre	(06) 348 0333
Noise complaints	(06) 349 0001
Parking	(06) 349 0001
Property	(06) 349 0001
Rates and debtor enquiries	(06) 349 0519
Royal Wanganui Opera House	(06) 349 0511
Sarjeant Gallery	(06) 349 0506
Splash Centre	(06) 345 6528
Stormwater separation	(06) 349 0548
Water and wastewater	(06) 349 0510
Whanganui Regional Museum	(06) 349 1110

Glossary

Annual Plan	The Annual Plan sets out what the Council intends to achieve over the next year, the budget for that specific year, how it will measure its performance and who will pay. No Annual Plan is produced in a year when a 10-Year Plan is published.	drainage; Sewerage and the treatment and disposal of sewage; Provision of roads and footpaths; Parks and recreation; Community and cultural; Economic development; Community facilities and services; Transportation; Investments; and Corporate – based on their relationship and the rationale for providing them.	
Capital expenditure (Capital acquisitions)	Funding necessary for new works that add to the Council’s existing assets.	Infrastructure	Includes roads, water pipes, drainage pipes, footpaths, pump stations, bridges etc.
Community Outcomes / Leading Edge Strategy	Our vision for the future of our community to be enacted through our Leading Edge Strategy.	10-Year Plan	A plan which outlines the Council’s programme for the next 10 years and how it will contribute to achieving the Community Outcomes.
Exclusions	These items have not been included in the budget for 2015/16 and there is no allowance for them in the 10-year programme for 2015-2025.	Operational expenditure	All funding for providing services on a day-to-day basis, excluding renewal and capital expenditure.
Forecast	Prospective financial information prepared on the basis of assumptions as to future events that the Council reasonably expects to occur.	Performance measures	How the Council will assess progress toward achieving outcomes and service levels.
Groups of activities	The Council’s activities are allocated to 12 groups – Water supply; Stormwater drainage; Waterways and natural	Projection	Prospective financial information prepared on the basis of one or more hypothetical but realistic assumptions that reflect possible courses of action.

Glossary

Renewal expenditure
(Capital replacements)

Funding for works that replace the existing assets over their projected lifetime.